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CLERK, U.S. DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

Attorneys for Plaintiff United States of America,
for the use and benefit of Baker Electric, Inc.

[Signature]
DEPUTY

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA FOR
THE USE AND BENEFIT OF BAKER
ELECTRIC, INC., a California corporation,

Plaintiff,

v.

CORNERSTONE BUILDING GROUP,
a corporation;
WESTERN INSURANCE COMPANY,
a corporation;
and DOES 1 through 60,

Defendants.

CASE NO: **'08 CV 1617 DMS CAB**

COMPLAINT FOR:

- (1) RECOVERY ON MILLER ACT
PAYMENT BOND (COUNT ONE);
- (2) BREACH OF CONTRACT
(COUNT ONE);
- (3) RECOVERY ON MILLER ACT
PAYMENT BOND (COUNT
TWO);
- (4) BREACH OF CONTRACT
(COUNT TWO);
- (5) RECOVERY ON MILLER ACT
PAYMENT BOND (COUNT
THREE);
- (6) BREACH OF CONTRACT
(COUNT THREE);
- (7) RECOVERY ON MILLER ACT
PAYMENT BOND (COUNT
FOUR);
- (8) BREACH OF CONTRACT
(COUNT FOUR);
- (9) RECOVERY ON MILLER ACT
PAYMENT BOND (COUNT FIVE);
- (10) BREACH OF CONTRACT
(COUNT FIVE);
- (11) RECOVERY ON MILLER ACT
PAYMENT BOND (COUNT SIX);
AND
- (12) BREACH OF CONTRACT
(COUNT SIX).

DEMAND FOR JURY TRIAL

Assigned to:
Hon. _____, Dept. _____

COMPLAINT

CR

GENERAL ALLEGATIONS

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2 1. This action is brought pursuant to, and jurisdiction is conferred by, Title 40,
3 United States Code, sections 3131-3133.

4 2. Venue in this Court is proper as the contracts for which the Miller Act payment
5 bonds were issued were performed within this judicial district of the United States.

6 3. Use-plaintiff Baker Electric, Inc. ("Baker"), is, and at all relevant times was, a
7 corporation duly organized and existing under and by virtue of the laws of the State of
8 California, and licensed by the State of California to perform the work described below.

9 4. Defendant Western Insurance Company ("Western") is, and at all relevant times
10 was, a corporation authorized and licensed to do business and doing business in the State of
11 California as a surety issuing bonds required by law or contract by the United States and
12 various agencies within the jurisdiction of this Court.

13 5. Baker is informed and believes defendant Cornerstone Building Group
14 ("Cornerstone") is, and at all relevant times was, a corporation duly organized and existing
15 under and by virtue of the laws of the State of California.

16 6. Defendants Does 1 through 60, inclusive, are sued under fictitious names.
17 Baker does not know the true names and capacities of Does 1 through 60. When the true
18 names and capacities of Does 1 through 60 are ascertained, Baker will amend this Complaint
19 by inserting their true names and capacities. Baker is informed and believes that each of the
20 defendants named herein are and were the agents, servants, employees and alter egos of each
21 of the other named defendants, and are in some manner responsible for the events and
22 occurrences described herein.

23 (Building Renovation Project)

24 7. Baker is informed and believes that Cornerstone, as the general contractor,
25 entered into a written contract with the United States of America ("Government"), Contract
26 No. N62473-07-D-6308-0004 ("Building Renovation Prime Contract"), by and through the
27 Naval Facilities Engineering Command ("NAVFAC").

1 8. Baker is informed and believes that pursuant to the Building Renovation Prime
2 Contract, Cornerstone agreed to construct, alter, or repair a public building or work of
3 improvement known as the Building Renovation B-62502, in Camp Pendleton, California
4 ("Building Renovation Project").

5 9. Baker is informed and believes that under United States Code, Title 40, sections
6 3131-3134, defendants Cornerstone, as principal, and Western, as surety, executed and
7 delivered a payment bond, Bond No. OSDC00002 ("Building Renovation Payment Bond"), to
8 the Government, whereby Cornerstone and Western bound themselves jointly and severally for
9 the purpose of allowing a joint action or actions against any or all of them, and bound
10 themselves in the sum of \$336,620.00. A true and correct copy of the Building Renovation
11 Payment Bond is attached as Exhibit "1" and is incorporated by reference.

12 10. On or about July 23, 2007, Cornerstone entered into a written subcontract with
13 Baker ("Building Renovation Subcontract") to perform certain work on the Building
14 Renovation Project, consisting of the supply and installation of electrical and
15 telecommunications materials. A true and correct copy of the Building Renovation
16 Subcontract is attached as Exhibit "2" and is incorporated by reference.

17 11. Pursuant to the Building Renovation Subcontract, Cornerstone agreed to pay
18 Baker One Hundred Thousand Dollars (\$100,000.00) ("Building Renovation Subcontract
19 Price") for labor, services, materials, equipment and supplies provided by Baker under the
20 Building Renovation Subcontract, subject to increase for additional labor, services, materials,
21 equipment and supplies provided by Baker for use and inclusion in the Building Renovation
22 Project. Cornerstone agreed to pay Baker any outstanding balance on the Building Renovation
23 Subcontract which came due as a result of the labor, services, materials, equipment and
24 supplies Baker furnished to the Building Renovation Project.

25 12. During the performance of the Building Renovation Subcontract, Cornerstone
26 issued and approved change orders which increased the Building Renovation Subcontract Price
27 from \$100,000.00 to \$111,224.00.

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1 13. Cornerstone breached the Building Renovation Subcontract by failing to pay
2 Baker after full performance by Baker.

3 14. To date, only the sum of \$97,262.10 has been paid, leaving an undisputed
4 balance of \$13,961.90 due, owing and unpaid to Baker.

5 15. Despite demand, Cornerstone and Western have not compensated Baker for the
6 total labor, services, materials, equipment and supplies provided by Baker on the Building
7 Renovation Project at Cornerstone's request.

8 (Hydrogen Fuel Station Project)

9 16. Baker is informed and believes that Cornerstone, as the general contractor,
10 entered into a written contract with the Government, Contract No. N62473-07-D-6308-0006
11 ("Hydrogen Fuel Station Prime Contract"), by and through the NAVFAC.

12 17. Baker is informed and believes that pursuant to the Hydrogen Fuel Station
13 Prime Contract, Cornerstone agreed to construct, alter, or repair a public building or work of
14 improvement known as the Hydrogen Fuel Station, in Camp Pendleton, California ("Hydrogen
15 Fuel Station Project").

16 18. Baker is informed and believes that under United States Code, Title 40, sections
17 3131-3134, defendants Cornerstone, as principal, and Western, as surety, executed and
18 delivered a payment bond, Bond No. SDC00005 ("Hydrogen Fuel Station Payment Bond"), to
19 the Government, whereby Cornerstone and Western bound themselves jointly and severally for
20 the purpose of allowing a joint action or actions against any or all of them, and bound
21 themselves in the sum of \$207,000.00. A true and correct copy of the Hydrogen Fuel Station
22 Payment Bond is attached as Exhibit "3" and is incorporated by reference.

23 19. On or about August 23, 2007, Cornerstone entered into a written subcontract
24 with Baker ("Hydrogen Fuel Station Subcontract") to perform certain work on the Hydrogen
25 Fuel Station Project, consisting of the supply and installation of electrical materials. A true
26 and correct copy of the Hydrogen Fuel Station Subcontract is attached as Exhibit "4" and is
27 incorporated by reference.

20. Pursuant to the Hydrogen Fuel Station Subcontract, Cornerstone agreed to pay Baker Fifty One Thousand Dollars (\$51,000.00) ("Hydrogen Fuel Station Subcontract Price") for labor, services, materials, equipment and supplies provided by Baker under the Hydrogen Fuel Station Subcontract, subject to increase for additional labor, services, materials, equipment and supplies provided by Baker for use and inclusion in the Hydrogen Fuel Station Project. Cornerstone agreed to pay Baker any outstanding balance on the Hydrogen Fuel Station Subcontract which came due as a result of the labor, services, materials, equipment and supplies Baker furnished to the Hydrogen Fuel Station Project.

21. During the performance of the Hydrogen Fuel Station Subcontract, Cornerstone issued and approved change orders which increased the Hydrogen Fuel Station Subcontract Price from \$51,000.00 to \$58,100.00.

22. Cornerstone breached the Hydrogen Fuel Station Subcontract by failing to pay Baker after full performance by Baker.

23. To date, only the sum of \$47,000.00 has been paid, leaving an undisputed balance of \$11,100.00 due, owing and unpaid to Baker.

24. Despite demand, Cornerstone and Western have not compensated Baker for the total labor, services, materials, equipment and supplies provided by Baker on the Hydrogen Fuel Station Project at Cornerstone's request.

(Showers Project)

25. Baker is informed and believes that Cornerstone, as the general contractor, entered into a written contract with the Government, Contract No. N62473-07-D-6308-0017 ("Showers Prime Contract"), by and through the NAVFAC.

26. Baker is informed and believes that pursuant to the Showers Prime Contract, Cornerstone agreed to construct, alter, or repair a public building or work of improvement known as the Temporary Heads and Showers Facilities at Range 130, in Camp Pendleton, California ("Showers Project").

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27. Baker is informed and believes that under United States Code, Title 40, sections 3131-3134, defendants Cornerstone, as principal, and Western, as surety, executed and delivered a payment bond, Bond No. SDC00022 ("Showers Payment Bond"), to the Government, whereby Cornerstone and Western bound themselves jointly and severally for the purpose of allowing a joint action or actions against any or all of them, and bound themselves in the sum of \$105,022.00. A true and correct copy of the Showers Payment Bond is attached as Exhibit "5" and is incorporated by reference.

28. On or about September 21, 2007, Cornerstone entered into a written subcontract with Baker ("Showers Subcontract") to perform certain work on the Showers Project, consisting of the supply and installation of electrical materials. A true and correct copy of the Showers Subcontract is attached as Exhibit "6" and is incorporated by reference.

29. Pursuant to the Showers Subcontract, Cornerstone agreed to pay Baker Ten Thousand Dollars (\$10,000.00) ("Showers Subcontract Price") for labor, services, materials, equipment and supplies provided by Baker under the Showers Subcontract, subject to increase for additional labor, services, materials, equipment and supplies provided by Baker for use and inclusion in the Showers Project. Cornerstone agreed to pay Baker any outstanding balance on the Showers Subcontract which came due as a result of the labor, services, materials, equipment and supplies Baker furnished to the Showers Project.

30. Cornerstone breached the Showers Subcontract by failing to pay Baker after full performance by Baker.

31. To date, no sum has been paid, leaving an undisputed balance of \$10,000.00 due, owing and unpaid to Baker.

32. Despite demand, Cornerstone and Western have not compensated Baker for the total labor, services, materials, equipment and supplies provided by Baker on the Showers Project at Cornerstone's request.

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(Infantry Facilities Project)

33. Baker is informed and believes that Cornerstone, as the general contractor, entered into a written contract with the Government, Contract No. N62473-07-D-6308-0013 ("Infantry Facilities Prime Contract"), by and through the NAVFAC.

34. Baker is informed and believes that pursuant to the Infantry Facilities Prime Contract, Cornerstone agreed to construct, alter, or repair a public building or work of improvement known as the Infantry Immersive Trainer Facilities, B-61718, in Camp Pendleton, California ("Infantry Facilities Project").

35. Baker is informed and believes that under United States Code, Title 40, sections 3131-3134, defendants Cornerstone, as principal, and Western, as surety, executed and delivered a payment bond, Bond No. SDC00010 ("Infantry Facilities Payment Bond"), to the Government, whereby Cornerstone and Western bound themselves jointly and severally for the purpose of allowing a joint action or actions against any or all of them, and bound themselves in the sum of \$322,555.00. A true and correct copy of the Infantry Facilities Payment Bond is attached as Exhibit "7" and is incorporated by reference.

36. On or about September 14, 2007, Cornerstone entered into a written subcontract with Baker ("Infantry Facilities Subcontract") to perform certain work on the Infantry Facilities Project, consisting of the supply and installation of electrical materials. A true and correct copy of the Infantry Facilities Subcontract is attached as Exhibit "8" and is incorporated by reference.

37. Pursuant to the Infantry Facilities Subcontract, Cornerstone agreed to pay Baker One Hundred and Sixty Six Thousand and One Hundred and Thirteen Dollars (\$166,113.00) ("Infantry Facilities Subcontract Price") for labor, services, materials, equipment and supplies provided by Baker under the Infantry Facilities Subcontract, subject to increase for additional labor, services, materials, equipment and supplies provided by Baker for use and inclusion in

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1 the Infantry Facilities Project. Cornerstone agreed to pay Baker any outstanding balance on
 2 the Infantry Facilities Subcontract which came due as a result of the labor, services, materials,
 3 equipment and supplies Baker furnished to the Infantry Facilities Project.

4 38. During the performance of the Infantry Facilities Subcontract, Cornerstone
 5 issued and approved change orders which increased the Infantry Facilities Subcontract Price
 6 from \$166,113.00 to \$239,969.00.

7 39. Cornerstone breached the Infantry Facilities Subcontract by failing to pay Baker
 8 after full performance by Baker.

9 40. To date, only the sum of \$149,501.70 has been paid, leaving an undisputed
 10 balance of \$90,467.30 due, owing and unpaid to Baker.

11 41. Despite demand, Cornerstone and Western have not compensated Baker for the
 12 total labor, services, materials, equipment and supplies provided by Baker on the Infantry
 13 Facilities Project at Cornerstone's request.

14 (Metal Building Project)

15 42. Baker is informed and believes that Cornerstone, as the general contractor,
 16 entered into a written contract with the Government, Contract No. N62473-07-D-6308-0009
 17 ("Metal Building Prime Contract"), by and through the NAVFAC.

18 43. Baker is informed and believes that pursuant to the Metal Building Prime
 19 Contract, Cornerstone agreed to construct, alter, or repair a public building or work of
 20 improvement known as the Pre-Engineered Metal Building at 210536, in Camp Pendleton,
 21 California ("Metal Building Project").

22 44. Baker is informed and believes that under United States Code, Title 40, sections
 23 3131-3134, defendants Cornerstone, as principal, and Western, as surety, executed and
 24 delivered a payment bond, Bond No. SDC00008 ("Metal Building Payment Bond"), to the
 25 Government, whereby Cornerstone and Western bound themselves jointly and severally for the

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1 purpose of allowing a joint action or actions against any or all of them, and bound themselves
2 in the sum of \$345,860.00. A true and correct copy of the Metal Building Payment Bond is
3 attached as Exhibit "9" and is incorporated by reference.

4 45. On or about September 4, 2007, Cornerstone entered into a written subcontract
5 with Baker ("Metal Building Subcontract") to perform certain work on the Metal Building
6 Project, consisting of the supply and installation of electrical materials. A true and correct
7 copy of the Metal Building Subcontract is attached as Exhibit "10" and is incorporated by
8 reference.

9 46. Pursuant to the Metal Building Subcontract, Cornerstone agreed to pay Baker
10 Nineteen Thousand and Eight Hundred and Forty Dollars (\$19,840.00) ("Metal Building
11 Subcontract Price") for labor, services, materials, equipment and supplies provided by Baker
12 under the Metal Building Subcontract, subject to increase for additional labor, services,
13 materials, equipment and supplies provided by Baker for use and inclusion in the Metal
14 Building Project. Cornerstone agreed to pay Baker any outstanding balance on the Metal
15 Building Subcontract which came due as a result of the labor, services, materials, equipment
16 and supplies Baker furnished to the Metal Building Project.

17 47. Cornerstone breached the Metal Building Subcontract by failing to pay Baker
18 after full performance by Baker.

19 48. To date, only the sum of \$13,392.00 has been paid, leaving an undisputed
20 balance of \$6,448.00 due, owing and unpaid to Baker.

21 49. Despite demand, Cornerstone and Western have not compensated Baker for the
22 total labor, services, materials, equipment and supplies provided by Baker on the Metal
23 Building Project at Cornerstone's request.

24 (Naval Station Project)

25 50. Baker is informed and believes that Cornerstone, as the general contractor,
26 entered into a written contract with the Government, Contract No. N62473-07-C-1056 ("Naval
27 Station Prime Contract"), by and through the NAVFAC.

1 51. Baker is informed and believes that pursuant to the Naval Station Prime
2 Contract, Cornerstone agreed to construct, alter, or repair a public building or work of
3 improvement known as the Naval Air Station North Island, Building 618, Coronado, California
4 ("Naval Station Project").

5 52. Baker is informed and believes that under United States Code, Title 40, sections
6 3131-3134, defendants Cornerstone, as principal, and Western, as surety, executed and
7 delivered a payment bond, Bond No. SDC00020 ("Naval Station Payment Bond"), to the
8 Government, whereby Cornerstone and Western bound themselves jointly and severally for the
9 purpose of allowing a joint action or actions against any or all of them, and bound themselves
10 in the sum of \$566,236.00. A true and correct copy of the Naval Station Payment Bond is
11 attached as Exhibit "11" and is incorporated by reference.

12 53. On or about December 3, 2007, Cornerstone entered into a contract with Baker
13 ("Naval Station Purchase Order") to perform certain work on the Metal Building Project,
14 consisting of the supply and installation of electrical materials. A true and correct copy of the
15 Naval Station Purchase Order is attached as Exhibit "12" and is incorporated by reference.

16 54. Pursuant to the Naval Station Purchase Order, Cornerstone agreed to pay Baker
17 Seven Thousand and Five Hundred Dollars (\$7,500.00) ("Naval Station Purchase Order
18 Price") for labor, services, materials, equipment and supplies provided by Baker under the
19 Naval Station Purchase Order, subject to increase for additional labor, services, materials,
20 equipment and supplies provided by Baker for use and inclusion in the Naval Station Project.
21 Cornerstone agreed to pay Baker any outstanding balance on the Naval Station Purchase Order
22 which came due as a result of the labor, services, materials, equipment and supplies Baker
23 furnished to the Naval Station Project.

24 55. Cornerstone breached the Naval Station Purchase Order by failing to pay Baker
25 after full performance by Baker.

26 56. To date, no sum has been paid, leaving an undisputed balance of \$7,500.00 due,
27 owing and unpaid to Baker.

1 57. Despite demand, Cornerstone and Western have not compensated Baker for the
2 total labor, services, materials, equipment and supplies provided by Baker on the Naval Station
3 Project at Cornerstone's request.

4 FIRST CLAIM FOR RELIEF

5 (Recovery on Miller Act Payment Bond – Building
6 Renovation Project – Against Cornerstone, Western and Does 1 through 10)

7 58. Baker realleges and incorporates by reference paragraphs 1 through 15, above,
8 as though set forth in full at this point.

9 59. The Building Renovation Payment Bond, described in paragraph 9 above, was
10 delivered to and accepted by the Government and inures to the benefit of Baker.

11 60. Baker has fully and completely performed all obligations required to be
12 performed by Baker under the Building Renovation Subcontract and under the Building
13 Renovation Payment Bond, and all of the conditions precedent to the performance on the part
14 of Cornerstone and Western, and each of them, have occurred.

15 61. Cornerstone and Western, and each of them, have failed and refused to perform
16 their respective obligations under the Building Renovation Subcontract and the Building
17 Renovation Payment Bond, in that only part of Baker's Building Renovation Subcontract Price
18 has been paid and Baker remains owed sums for the value of labor, services, materials,
19 equipment and supplies provided to the Building Renovation Project at the direction of
20 Cornerstone.

21 62. Baker last furnished labor, services, materials, equipment or supplies to the
22 Building Renovation Project in March 2008, within one year immediately preceding the date
23 this complaint was filed.

24 63. A period of 90 days has now elapsed since Baker last provided labor, services,
25 materials, equipment or supplies to Cornerstone for inclusion in the Building Renovation
26 Project.

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64. Baker had a direct contractual relationship with Cornerstone by virtue of the Building Renovation Subcontract. Therefore, Baker was not required to provide a 90-day preliminary notice pursuant to United States Code, Title 40, section 3133, subdivision (b)(1).

65. As a result of Cornerstone's and Western's failure and refusal to pay, Baker has been damaged in an amount not yet fully ascertained and according to proof at trial, but at least \$13,961.90, together with interest at the maximum legal rates from dates according to proof.

66. Under the Building Renovation Payment Bond, Cornerstone and Western are jointly and severally obligated to provide payment to Baker for work performed on the Building Renovation Project. Accordingly, as a result of Cornerstone's failure to compensate Baker for the work performed, Western is obligated to pay Baker.

67. Pursuant to the Building Renovation Subcontract, Baker is entitled to recover attorneys' fees and costs incurred as a result of Cornerstone's and Western's failure to compensate Baker. Such amounts shall be determined by the court and included in the judgment in this action.

SECOND CLAIM FOR RELIEF

(Breach of Contract – Building Renovation
Project – Against Cornerstone and Does 1 through 10)

68. Baker realleges and incorporates by reference paragraphs 1 through 15 and 58 through 67, above, as though set forth in full at this point.

69. Baker has performed all conditions, covenants and promises required on its part to be performed in accordance with the terms and conditions of the Building Renovation Subcontract or has been excused from performance.

70. As set forth in paragraphs 13-15, Cornerstone breached the Building Renovation Subcontract by failing to pay Baker in accordance with the Building Renovation Subcontract for the labor, services, materials, equipment and supplies Baker provided to Cornerstone for the Building Renovation Project.

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71. As a direct and proximate result of Cornerstone's breach of the Building Renovation Subcontract, Baker has been damaged in an amount not yet fully ascertained and according to proof at trial, but at least \$13,961.90, together with interest at the maximum legal rates from dates according to proof.

72. Pursuant to the Building Renovation Subcontract, Baker is entitled to recover attorneys' fees and costs incurred as a result of defendants' breaches. Such amounts shall be determined by the court and included in the judgment in this action.

THIRD CLAIM FOR RELIEF

(Recovery on Miller Act Payment Bond – Hydrogen Fuel Station Project – Against Cornerstone, Western and Does 11 through 20)

73. Baker realleges and incorporates by reference paragraphs 1 through 6 and 16 through 24, above, as though set forth in full at this point.

74. The Hydrogen Fuel Station Payment Bond, described in paragraph 18 above, was delivered to and accepted by the Government and inures to the benefit of Baker.

75. Baker has fully and completely performed all obligations required to be performed by Baker under the Hydrogen Fuel Station Subcontract and under the Hydrogen Fuel Station Payment Bond, and all of the conditions precedent to the performance on the part of Cornerstone and Western, and each of them, have occurred.

76. Cornerstone and Western, and each of them, have failed and refused to perform their respective obligations under the Hydrogen Fuel Station Subcontract and the Hydrogen Fuel Station Payment Bond, in that only part of Baker's Hydrogen Fuel Station Subcontract Price has been paid and Baker remains owed sums for the value of labor, services, materials, equipment and supplies provided to the Hydrogen Fuel Station Project at the direction of Cornerstone.

77. Baker last furnished labor, services, materials, equipment or supplies to the Hydrogen Fuel Station Project in February 2008, within one year immediately preceding the date this complaint was filed.

78. A period of 90 days has now elapsed since Baker last provided labor, services, materials, equipment or supplies to Cornerstone for inclusion in the Hydrogen Fuel Station Project.

79. Baker had a direct contractual relationship with Cornerstone by virtue of the Hydrogen Fuel Station Subcontract. Therefore, Baker was not required to provide a 90-day preliminary notice pursuant to United States Code, Title 40, section 3133, subdivision (b)(1).

80. As a result of Cornerstone's and Western's failure and refusal to pay, Baker has been damaged in an amount not yet fully ascertained and according to proof at trial, but at least \$11,100.00, together with interest at the maximum legal rates from dates according to proof.

81. Under the Hydrogen Fuel Station Payment Bond, Cornerstone and Western are jointly and severally obligated to provide payment to Baker for work performed on the Hydrogen Fuel Station Project. Accordingly, as a result of Cornerstone's failure to compensate Baker for the work performed, Western is obligated to pay Baker.

82. Pursuant to the Hydrogen Fuel Station Subcontract, Baker is entitled to recover attorneys' fees and costs incurred as a result of Cornerstone's and Western's failure to compensate Baker. Such amounts shall be determined by the court and included in the judgment in this action.

FOURTH CLAIM FOR RELIEF

(Breach of Contract – Hydrogen Fuel
Station Project – Against Cornerstone and Does 11 through 20)

83. Baker realleges and incorporates by reference paragraphs 1 through 6, 16 through 24, and 73 through 82, above, as though set forth in full at this point.

84. Baker has performed all conditions, covenants and promises required on its part to be performed in accordance with the terms and conditions of the Hydrogen Fuel Station Subcontract or has been excused from performance.

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92. Baker last furnished labor, services, materials, equipment or supplies to the Showers Project in January 2008, within one year immediately preceding the date this complaint was filed.

93. A period of 90 days has now elapsed since Baker last provided labor, services, materials, equipment or supplies to Cornerstone for inclusion in the Showers Project.

94. Baker had a direct contractual relationship with Cornerstone by virtue of the Showers Subcontract. Therefore, Baker was not required to provide a 90-day preliminary notice pursuant to United States Code, Title 40, section 3133, subdivision (b)(1).

95. As a result of Cornerstone's and Western's failure and refusal to pay, Baker has been damaged in an amount not yet fully ascertained and according to proof at trial, but at least \$10,000.00, together with interest at the maximum legal rates from dates according to proof.

96. Under the Showers Payment Bond, Cornerstone and Western are jointly and severally obligated to provide payment to Baker for work performed on the Showers Project. Accordingly, as a result of Cornerstone's failure to compensate Baker for the work performed, Western is obligated to pay Baker.

97. Pursuant to the Showers Subcontract, Baker is entitled to recover attorneys' fees and costs incurred as a result of Cornerstone's and Western's failure to compensate Baker. Such amounts shall be determined by the court and included in the judgment in this action.

SIXTH CLAIM FOR RELIEF

(Breach Of Contract – Showers Project –
Against Cornerstone and Does 21 through 30)

98. Baker realleges and incorporates by reference paragraphs 1 through 6, 25 through 32, and 88 through 97, above, as though set forth in full at this point.

99. Baker has performed all conditions, covenants and promises required on its part to be performed in accordance with the terms and conditions of the Showers Subcontract or has been excused from performance.

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100. As set forth in paragraphs 30-32, Cornerstone breached the Showers Subcontract by failing to pay Baker in accordance with the Showers Subcontract for the labor, services, materials, equipment and supplies Baker provided to Cornerstone for the Showers Project.

101. As a direct and proximate result of Cornerstone's breach of the Showers Subcontract, Baker has been damaged in an amount not yet fully ascertained and according to proof at trial, but at least \$10,000.00, together with interest at the maximum legal rates from dates according to proof.

102. Pursuant to the Showers Subcontract, Baker is entitled to recover attorneys' fees and costs incurred as a result of defendants' breaches. Such amounts shall be determined by the court and included in the judgment in this action.

SEVENTH CLAIM FOR RELIEF

(Recovery on Miller Act Payment Bond – Infantry Facilities
Project – Against Cornerstone, Western and Does 31 through 40)

103. Baker realleges and incorporates by reference paragraphs 1 through 6 and 33 through 41, above, as though set forth in full at this point.

104. The Infantry Facilities Payment Bond, described in paragraph 35 above, was delivered to and accepted by the Government and inures to the benefit of Baker.

105. Baker has fully and completely performed all obligations required to be performed by Baker under the Infantry Facilities Subcontract and under the Infantry Facilities Payment Bond, and all of the conditions precedent to the performance on the part of Cornerstone and Western, and each of them, have occurred.

106. Cornerstone and Western, and each of them, have failed and refused to perform their respective obligations under the Infantry Facilities Subcontract and the Infantry Facilities Payment Bond, in that only part of Baker's Infantry Facilities Subcontract Price has been paid and Baker remains owed sums for the value of labor, services, materials, equipment and supplies provided to the Infantry Facilities Project at the direction of Cornerstone.

107. Baker last furnished labor, services, materials, equipment or supplies to the Infantry Facilities Project in March 2008, within one year immediately preceding the date this complaint was filed.

108. A period of 90 days has now elapsed since Baker last provided labor, services, materials, equipment or supplies to Cornerstone for inclusion in the Infantry Facilities Project.

109. Baker had a direct contractual relationship with Cornerstone by virtue of the Infantry Facilities Subcontract. Therefore, Baker was not required to provide a 90-day preliminary notice pursuant to United States Code, Title 40, section 3133, subdivision (b)(1).

110. As a result of Cornerstone's and Western's failure and refusal to pay, Baker has been damaged in an amount not yet fully ascertained and according to proof at trial, but at least \$90,467.30, together with interest at the maximum legal rates from dates according to proof.

111. Under the Infantry Facilities Payment Bond, Cornerstone and Western are jointly and severally obligated to provide payment to Baker for work performed on the Infantry Facilities Project. Accordingly, as a result of Cornerstone's failure to compensate Baker for the work performed, Western is obligated to pay Baker.

112. Pursuant to the Infantry Facilities Subcontract, Baker is entitled to recover attorneys' fees and costs incurred as a result of Cornerstone's and Western's failure to compensate Baker. Such amounts shall be determined by the court and included in the judgment in this action.

EIGHTH CLAIM FOR RELIEF

(Breach of Contract – Infantry Facilities
Project – Against Cornerstone and Does 31 through 40)

113. Baker realleges and incorporates by reference paragraphs 1 through 6, 33 through 41, and 103 through 112, above, as though set forth in full at this point.

114. Baker has performed all conditions, covenants and promises required on its part to be performed in accordance with the terms and conditions of the Infantry Facilities Subcontract or has been excused from performance.

115. As set forth in paragraphs 39-41, Cornerstone breached the Infantry Facilities Subcontract by failing to pay Baker in accordance with the Infantry Facilities Subcontract for the labor, services, materials, equipment and supplies Baker provided to Cornerstone for the Infantry Facilities Project.

116. As a direct and proximate result of Cornerstone's breach of the Infantry Facilities Subcontract, Baker has been damaged in an amount not yet fully ascertained and according to proof at trial, but at least \$90,467.30, together with interest at the maximum legal rates from dates according to proof.

117. Pursuant to the Infantry Facilities Subcontract, Baker is entitled to recover attorneys' fees and costs incurred as a result of defendants' breaches. Such amounts shall be determined by the court and included in the judgment in this action.

NINTH CLAIM FOR RELIEF

(Recovery on Miller Act Payment Bond – Metal Building Project – Against Cornerstone, Western and Does 41 through 50)

118. Baker realleges and incorporates by reference paragraphs 1 through 6 and 42 through 49, above, as though set forth in full at this point.

119. The Metal Building Payment Bond, described in paragraph 44 above, was delivered to and accepted by the Government and inures to the benefit of Baker.

120. Baker has fully and completely performed all obligations required to be performed by Baker under the Metal Building Subcontract and under the Metal Building Payment Bond, and all of the conditions precedent to the performance on the part of Cornerstone and Western, and each of them, have occurred.

121. Cornerstone and Western, and each of them, have failed and refused to perform their respective obligations under the Metal Building Subcontract and the Metal Building Payment Bond, in that only part of Baker's Metal Building Subcontract Price has been paid and Baker remains owed sums for the value of labor, services, materials, equipment and supplies provided to the Metal Building Project at the direction of Cornerstone.

122. Baker last furnished labor, services, materials, equipment or supplies to the Metal Building Project in February 2008, within one year immediately preceding the date this complaint was filed.

123. A period of 90 days has now elapsed since Baker last provided labor, services, materials, equipment or supplies to Cornerstone for inclusion in the Metal Building Project.

124. Baker had a direct contractual relationship with Cornerstone by virtue of the Metal Building Subcontract. Therefore, Baker was not required to provide a 90-day preliminary notice pursuant to United States Code, Title 40, section 3133, subdivision (b)(1).

125. As a result of Cornerstone's and Western's failure and refusal to pay, Baker has been damaged in an amount not yet fully ascertained and according to proof at trial, but at least \$6,448.00, together with interest at the maximum legal rates from dates according to proof.

126. Under the Metal Building Payment Bond, Cornerstone and Western are jointly and severally obligated to provide payment to Baker for work performed on the Metal Building Project. Accordingly, as a result of Cornerstone's failure to compensate Baker for the work performed, Western is obligated to pay Baker.

127. Pursuant to the Metal Building Subcontract, Baker is entitled to recover attorneys' fees and costs incurred as a result of Cornerstone's and Western's failure to compensate Baker. Such amounts shall be determined by the court and included in the judgment in this action.

TENTH CLAIM FOR RELIEF

(Breach of Contract – Metal Building
Project – Against Cornerstone and Does 41 through 50)

128. Baker realleges and incorporates by reference paragraphs 1 through 6, 42 through 49, and 118 through 127, above, as though set forth in full at this point.

129. Baker has performed all conditions, covenants and promises required on its part to be performed in accordance with the terms and conditions of the Metal Building Subcontract or has been excused from performance.

130. As set forth in paragraphs 47-49, Cornerstone breached the Metal Building Subcontract by failing to pay Baker in accordance with the Metal Building Subcontract for the labor, services, materials, equipment and supplies Baker provided to Cornerstone for the Metal Building Project.

131. As a direct and proximate result of Cornerstone's breach of the Metal Building Subcontract, Baker has been damaged in an amount not yet fully ascertained and according to proof at trial, but at least \$6,448.00, together with interest at the maximum legal rates from dates according to proof.

132. Pursuant to the Metal Building Subcontract, Baker is entitled to recover attorneys' fees and costs incurred as a result of defendants' breaches. Such amounts shall be determined by the court and included in the judgment in this action.

ELEVENTH CLAIM FOR RELIEF

(Recovery on Miller Act Payment Bond – Naval Station Project – Against Cornerstone, Western and Does 51 through 60)

133. Baker realleges and incorporates by reference paragraphs 1 through 6 and 50 through 57, above, as though set forth in full at this point.

134. The Naval Station Payment Bond, described in paragraph 52 above, was delivered to and accepted by the Government and inures to the benefit of Baker.

135. Baker has fully and completely performed all obligations required to be performed by Baker under the Naval Station Purchase Order and under the Naval Station Payment Bond, and all of the conditions precedent to the performance on the part of Cornerstone and Western, and each of them, have occurred.

136. Cornerstone and Western, and each of them, have failed and refused to perform their respective obligations under the Naval Station Purchase Order and the Naval Station Payment Bond, in that none of Baker's Naval Station Purchase Order Price has been paid and Baker remains owed sums for the value of labor, services, materials, equipment and supplies provided to the Naval Station Project at the direction of Cornerstone.

137. Baker last furnished labor, services, materials, equipment or supplies to the Naval Station Project in December 2007, within one year immediately preceding the date this complaint was filed.

138. A period of 90 days has now elapsed since Baker last provided labor, services, materials, equipment or supplies to Cornerstone for inclusion in the Naval Station Project.

139. Baker had a direct contractual relationship with Cornerstone by virtue of the Naval Station Purchase Order. Therefore, Baker was not required to provide a 90-day preliminary notice pursuant to United States Code, Title 40, section 3133, subdivision (b)(1).

140. As a result of Cornerstone's and Western's failure and refusal to pay, Baker has been damaged in an amount not yet fully ascertained and according to proof at trial, but at least \$7,500.00, together with interest at the maximum legal rates from dates according to proof.

141. Under the Naval Station Payment Bond, Cornerstone and Western are jointly and severally obligated to provide payment to Baker for work performed on the Naval Station Project. Accordingly, as a result of Cornerstone's failure to compensate Baker for the work performed, Western is obligated to pay Baker.

TWELFTH CLAIM FOR RELIEF

(Breach of Contract – Naval Station Project –
Against Cornerstone and Does 51 through 60)

142. Baker realleges and incorporates by reference paragraphs 1 through 6, 50 through 57, and 133 through 141, above, as though set forth in full at this point.

143. Baker has performed all conditions, covenants and promises required on its part to be performed in accordance with the terms and conditions of the Naval Station Purchase Order or has been excused from performance.

144. As set forth in paragraphs 55-57, Cornerstone breached the Naval Station Purchase Order by failing to pay Baker in accordance with the Naval Station Purchase Order for the labor, services, materials, equipment and supplies Baker provided to Cornerstone for the Naval Station Project.

1 145. As a direct and proximate result of Cornerstone's breach of the Naval Station
2 Purchase Order, Baker has been damaged in an amount not yet fully ascertained and according
3 to proof at trial, but at least \$7,500.00, together with interest at the maximum legal rates from
4 dates according to proof.

5 WHEREFORE, the United States of America, for the use and benefit of Baker, prays
6 for judgment against Cornerstone and Western, and each of them, as follows:

7 ON THE FIRST CLAIM FOR RELIEF:

- 8 1. For general, special and consequential damages in an amount not yet fully
9 ascertained and according to proof at trial;
- 10 2. For interest on all sums at the maximum legal rates allowed by law from dates
11 according to proof; and
- 12 3. For attorneys' fees and costs.

13 ON THE SECOND CLAIM FOR RELIEF:

- 14 1. For general, special and consequential damages in an amount not yet fully
15 ascertained and according to proof at trial;
- 16 2. For interest on all sums at the maximum legal rates allowed by law from dates
17 according to proof; and
- 18 3. For attorneys' fees and costs.

19 ON THE THIRD CLAIM FOR RELIEF:

- 20 1. For general, special and consequential damages in an amount not yet fully
21 ascertained and according to proof at trial;
- 22 2. For interest on all sums at the maximum legal rates allowed by law from dates
23 according to proof; and
- 24 3. For attorneys' fees and costs.

25 ON THE FOURTH CLAIM FOR RELIEF:

- 26 1. For general, special and consequential damages in an amount not yet fully
27 ascertained and according to proof at trial;

2. For interest on all sums at the maximum legal rates allowed by law from dates according to proof; and

3. For attorneys' fees and costs.

ON THE FIFTH CLAIM FOR RELIEF:

1. For general, special and consequential damages in an amount not yet fully ascertained and according to proof at trial;

2. For interest on all sums at the maximum legal rates allowed by law from dates according to proof; and

3. For attorneys' fees and costs.

ON THE SIXTH CLAIM FOR RELIEF:

1. For general, special and consequential damages in an amount not yet fully ascertained and according to proof at trial;

2. For interest on all sums at the maximum legal rates allowed by law from dates according to proof; and

3. For attorneys' fees and costs.

ON THE SEVENTH CLAIM FOR RELIEF:

1. For general, special and consequential damages in an amount not yet fully ascertained and according to proof at trial;

2. For interest on all sums at the maximum legal rates allowed by law from dates according to proof; and

3. For attorneys' fees and costs.

ON THE EIGHTH CLAIM FOR RELIEF:

1. For general, special and consequential damages in an amount not yet fully ascertained and according to proof at trial;

2. For interest on all sums at the maximum legal rates allowed by law from dates according to proof; and

3. For attorneys' fees and costs.

1 ON THE NINTH CLAIM FOR RELIEF:

2 1. For general, special and consequential damages in an amount not yet fully
3 ascertained and according to proof at trial;

4 2. For interest on all sums at the maximum legal rates allowed by law from dates
5 according to proof; and

6 3. For attorneys' fees and costs.

7 ON THE TENTH CLAIM FOR RELIEF:

8 1. For general, special and consequential damages in an amount not yet fully
9 ascertained and according to proof at trial;

10 2. For interest on all sums at the maximum legal rates allowed by law from dates
11 according to proof; and

12 3. For attorneys' fees and costs.

13 ON THE ELEVENTH CLAIM FOR RELIEF:

14 1. For general, special and consequential damages in an amount not yet fully
15 ascertained and according to proof at trial; and

16 2. For interest on all sums at the maximum legal rates allowed by law from dates
17 according to proof.

18 ON THE TWELFTH CLAIM FOR RELIEF:

19 1. For general, special and consequential damages in an amount not yet fully
20 ascertained and according to proof at trial; and

21 2. For interest on all sums at the maximum legal rates allowed by law from dates
22 according to proof.

23 / / / / /

24 / / / / /

25 / / / / /

26 / / / / /

27 / / / / /

ON ALL CAUSES OF ACTION:

1. For costs of suit incurred herein; and
2. For such other and further relief the court deems just and proper.

DATED: August 29, 2008

Respectfully submitted,

MARKS, GOLIA & FINCH, LLP

By: 

DAVIDE GOLIA

JEFFREY B. BAIRD

CHRISTOPHER R. SILLARI

Attorneys for Plaintiff United States of
America, for the use and benefit of Baker
Electric, Inc.

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Bond Number: OSDC00002

Premium: Included

PAYMENT BOND (See instructions on reverse)		DATE BOND EXECUTED (Must be same or later than date of contract) July 5, 2007		OMB No.: 9000-0046													
Public reporting burden for this collection of information is estimate to average 25 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the FAR Secretariat (MVR), Federal Acquisition Policy Division, GSA, Washington, DC 20406																	
PRINCIPAL (Legal name and business address) Cornerstone Building Group 3590 Kettner Blvd. San Diego, CA 92101			TYPE OF ORGANIZATION ("X" one) <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE <input checked="" type="checkbox"/> CORPORATION STATE OF INCORPORATION California														
SURETY(IES) (Name(s) and business address(es)) Western Insurance Company P.O. Box 21030 Reno, NV 89515			PENAL SUM OF BOND <table border="1"> <tr> <th>MILLION(S)</th> <th>THOUSAND(S)</th> <th>HUNDRED(S)</th> <th>CENTS</th> </tr> <tr> <td></td> <td>336</td> <td>620</td> <td>00</td> </tr> </table> <table border="1"> <tr> <th>CONTRACT DATE</th> <th>CONTRACT NO.</th> </tr> <tr> <td>July 3, 2007</td> <td>N62473-07-D-6308-0004</td> </tr> </table>			MILLION(S)	THOUSAND(S)	HUNDRED(S)	CENTS		336	620	00	CONTRACT DATE	CONTRACT NO.	July 3, 2007	N62473-07-D-6308-0004
MILLION(S)	THOUSAND(S)	HUNDRED(S)	CENTS														
	336	620	00														
CONTRACT DATE	CONTRACT NO.																
July 3, 2007	N62473-07-D-6308-0004																

OBLIGATION: Building Renovation Bldg. 62502

We, the Principal and Surety(ies), are firmly bound to the United States of America (hereinafter called the Government) in the above penal sum. For payment of the penal sum, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally. However, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us. For all other purposes, each Surety binds itself, jointly and severally with the Principal, for the payment of the sum shown opposite the name of the Surety. If no limit of liability is indicated, the limit of liability is the full amount of the penal sum.

CONDITIONS:

The above obligation is void if the Principal promptly makes payment to all persons having a direct relationship with the Principal or a subcontractor of the Principal for furnishing labor, material or both in the prosecution of the work provided for in the contract identified above, and any authorized modifications of the contract that subsequently are made. Notice of those modifications to the Surety(ies) are waived.

WITNESS:

The Principal and Surety(ies) executed this payment bond and affixed their seals on the above date.

Cornerstone Building Group				PRINCIPAL	
SIGNATURE(S)	1.	2.	3.	(Seal)	Corporate Seal
NAME(S) & TITLE(S) (Typed)	1.	2.	3.	(Seal)	Corporate Seal
INDIVIDUAL SURETY(IES)					
SIGNATURE(S)	1.	2.			
		(Seal)	(Seal)		
NAME(S) (Typed)	1.	2.			
Western Insurance Company					
CORPORATE SURETY(IES)					
NAME & ADDRESS	P.O. Box 21030 Reno, CA 89515		STATE OF INC. Nevada	LIABILITY LIMIT \$ 1,302,000.00	Corporate Seal
SIGNATURE(S)	1.	2.			
NAME(S) & TITLE(S) (Typed)	1.	2.			
	Audrey Rodriguez, Attorney-In-Fact				

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STANDARD FORM 25A (REV. 10-98)
Prescribed by GSA-FAR (48 CFR) 89.2228(c)

Ex 1

Pg 1

CORPORATE SURETY(IES) (Continued)

SURETY B	NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT	Corporate Seal
	SIGNATURE(S)	1.	2.	
	NAME(S) & TITLE(S) (Typed)	1.	2.	
SURETY C	NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT	Corporate Seal
	SIGNATURE(S)	1.	2.	
	NAME(S) & TITLE(S) (Typed)	1.	2.	
SURETY D	NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT	Corporate Seal
	SIGNATURE(S)	1.	2.	
	NAME(S) & TITLE(S) (Typed)	1.	2.	
SURETY E	NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT	Corporate Seal
	SIGNATURE(S)	1.	2.	
	NAME(S) & TITLE(S) (Typed)	1.	2.	
SURETY F	NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT	Corporate Seal
	SIGNATURE(S)	1.	2.	
	NAME(S) & TITLE(S) (Typed)	1.	2.	
SURETY G	NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT	Corporate Seal
	SIGNATURE(S)	1.	2.	
	NAME(S) & TITLE(S) (Typed)	1.	2.	

INSTRUCTIONS

1. This form, for the protection of persons supplying labor and material, is used when a payment bond is required under the Act of August 24, 1935, 49 Stat. 793 (40 U.S.C. 270a-270e). Any deviation from this form will require the written approval of the Administrator of General Services.

2. Insert the full legal name and business address of the Principal in the space designated "Principal" on the face of the form. An authorized person shall sign the bond. Any person signing in a representative capacity (e.g., an attorney-in-fact) must furnish evidence of authority if that representative is not a member of the firm, partnership, or joint venture, or an officer of the corporation involved.

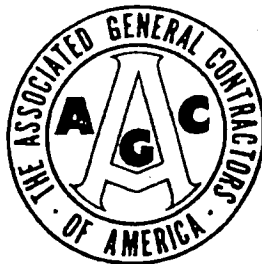
3. (a) Corporations executing the bond as sureties must appear on the Department of the Treasury's list of approved sureties and must act within the limitation listed therein. Where more than one corporate surety is involved, their names and addresses shall appear in the spaces (Surety A, Surety B, etc.) headed "CORPORATE SURETY(IES)." In the space

designated "SURETY(IES)" on the face of the form, insert only the letter identification of the sureties.

(b) Where individual sureties are involved, a completed Affidavit of Individual Surety (Standard Form 28) for each individual surety, shall accompany the bond. The Government may require the surety to furnish additional substantiating information concerning their financial capability.

4. Corporations executing the bond shall affix their corporate seals. Individuals shall execute the bond opposite the word "Corporate Seal", and shall affix an adhesive seal if executed in Maine, New Hampshire, or any other jurisdiction requiring adhesive seals.

5. Type the name and title of each person signing this bond in the space provided.



SUBCONTRACT NO. 614-16100S

SUBCONTRACT

(Long Form Subcontract between General Contractor & Subcontractor)

This Subcontract is entered into on July 23, 2007 at San Diego California by and between Cornerstone Building Group ("Contractor"), with its principal office at 3590 Kettner Blvd San Diego California 92101 and Baker Electric ("Subcontractor") with its principal office at 1298 Pacific Oaks Place, Escondido, California, 92029.

Contractor has entered into a contract with the following Owner:

NAVFAC Southwest
Camp Pendleton ROICC/CODE ROPCN
Marine Corps Base Camp Pendleton
PO BOX 555229 Bldg 22101
Camp Pendleton, CA 92055-5229

To perform certain construction work identified as:

8A JOC, Building Renovation B-62502
NAVFAC SOUTHWEST, CAMP PENDLETON ROICC
MCB, CAMP PENDLETON
N62473-07-D-6308-0004

RECEIVED

JUL 30 2007

CORNERSTONE B 6

This Subcontract has important legal and insurance consequences. Consultation with an attorney and insurance consultant is encouraged with respect to its completion or modification.

Ex 2
Pg 3

SUBCONTRACT

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SUSPENSION OF WORK
ASSIGNMENT OF SUBCONTRACT

The titles given to the Articles and paragraphs of this Subcontract are for ease of reference only and shall not be relied upon or cited for any other purpose.

ARTICLE 1 SUBCONTRACT PRICE

1.1 As full compensation for satisfactory performance of the Subcontract, Contractor agrees to pay Subcontractor in the manner described below, subject to all provisions of the Subcontract:

- (a) the firm fixed-price of One-Hundred Thousand Dollars (\$100,000.00) subject to additions and deductions as provided for in the Subcontract; and/or
- (b) unit prices in accordance with the attached Unit Prices and estimated quantities; and/or
- (c) time and material rates and prices in accordance with the attached Labor and Material Costs; and/or
- (d) other, as identified in an attachment.

The firm fixed-price, unit prices, time and material rates and prices and/or other identified manner of payment are referred to as the "Subcontract Price."

ARTICLE 2 SUBCONTRACT DOCUMENTS

2.1 The Subcontract Documents, in order of precedence, consist of the following:

2.1.1 The executed Subcontract between Contractor and Subcontractor, including Attachment Nos. A and B, which are incorporated at this point as if fully set forth.

2.1.2 The Contract, consisting of the entire and integrated Agreement between Owner and Contractor, as more particularly though not exclusively specified in the General, Special, Supplementary and other Conditions, Drawings, Specifications, Addenda, reference standards or provisions of any nature.

2.2 Subcontractor certifies and agrees that it is fully familiar with all of the terms, conditions and obligations of the Subcontract Documents, the location of the job site, and the conditions under which the work is to be performed, and that it enters into this Subcontract based upon its investigation of all such matters and is in no way relying upon any opinions or representations of Contractor. It is further agreed that the Contract is incorporated into this Subcontract with the same force and effect as if it was set forth in full, and that Subcontractor and its subcontractors are bound by all terms of the Contract as they relate in any way, directly or indirectly, to the work covered by this Subcontract. Subcontractor agrees to be bound to Contractor in the same manner and to the same extent as Contractor is bound to Owner under the Contract. The Contract is defined above and includes but is not limited to the following documents:

- Attached Task Order Proposed Work Plan

2.3 Upon written request by Subcontractor, Contractor shall provide to Subcontractor at Subcontractor's expense, one copy of all portions of the Contract in the Contractor's possession. However, neither this article nor any other shall obligate Contractor to obtain for Subcontractor copies of any portion of the Contract not in the possession of Contractor, and Subcontractor shall not be excused from performance of its work because it does not have such documents. Upon written request by its subcontractors and suppliers, Subcontractor similarly shall make one copy of applicable portions of the Subcontract Documents available

to its subcontractors and suppliers. Nothing shall prohibit Subcontractor from obtaining a copy of the executed Contract from Contractor at any time after the Subcontract is executed.

2.4 Nothing in the Subcontract shall be construed to create a contractual relationship between persons or entities other than Contractor and Subcontractor.

ARTICLE 3 SCOPE OF SUBCONTRACT WORK

3.1 Independent Contractor – Subcontractor shall provide all labor, materials, equipment and services necessary or incidental to perform its work as an “independent contractor,” in accordance with the Subcontract Documents.

3.2 Subcontract Work – Subcontractor shall perform the following scope of work:

(See Attachment B)

3.3 Temporary Services – Contractor will provide to Subcontractor the following temporary services at the project site during the performance of this Subcontract at no charge to Subcontractor:

NONE

Subcontractor will provide, at its own expense, all other necessary temporary services for the completion of its work.

ARTICLE 4 SURETY BONDING

4.1 Copy of Contractor Bonds – Subcontractor is entitled to receive from Contractor, upon written request, copies of any payment and performance bonds furnished by Contractor for the project.

4.2 Subcontractor Bonds – Subcontractor surety bond requirements, if any, are as follows:

Subcontractor Performance and Payment Bond

☐ Required ☒ Not Required

4.2.1 If a performance or payment bond, or both, are required of Subcontractor, such bonds shall name Contractor as obligee, be in the full amount of the Subcontract Price, and shall be in a form and by a surety acceptable to Contractor. The premiums for such bonds are not included in the Subcontract Price, the cost shall be added as a change order to the contract documents upon final determination.

4.2.2 In the event Subcontractor shall fail to provide any required bonds within 10 days of Contractor's written notification to do so, Contractor may terminate this Subcontract for cause. All costs and expenses incurred by Contractor as a result of such a termination shall be paid by Subcontractor in accordance with the termination for cause article of the Subcontract.

4.2.3 No change, directive, clarification or communication regarding this Subcontract, whether made in the manner specified in the Subcontract or not, shall release or exonerate, in whole or in part, any surety on any bond given in connection with this Subcontract and neither Owner nor Contractor shall be under any obligation to notify the surety or sureties of any change, directive, clarification or communication with Subcontractor.

ARTICLE 5 PERFORMANCE OF WORK

5.1 Schedule of Work – Subcontractor may provide Contractor with scheduling information it proposes for its work. If the information is provided 5 days before Contractor is required to submit the schedule to Owner or to proceed with the work, Contractor will consult with Subcontractor regarding such information and, if possible, incorporate the same into the schedule to Owner.

5.1.1 Contractor shall prepare the schedule for performance of the Contract and Subcontract (“progress schedule”) and may revise and update the progress schedule as the work progresses. It shall be Subcontractor’s obligation to conform to the progress schedule, as updated by Contractor. Subcontractor understands that all field work must be completed within 6 weeks. All work must be completed no later than September 12, 2007. Subcontractor will provide adequate manpower, materials & equipment to meet this schedule. Subcontractor shall prepare and obtain approval as required by the Contract for all shop drawings, details, samples; shall perform any required Subcontractor testing; and do all other things necessary and incidental to the prosecution of the Subcontract in order to comply with the progress schedule. Subcontractor shall coordinate the work covered by this Subcontract with Contractor and all other subcontractors with whom Subcontractor must interface for the proper and timely completion of Subcontractor’s work. Contractor shall have the right to decide the time and order in which the various portions of the work shall be installed, the priority of the work of other subcontractors, and, in general, all matters representing the timely and orderly performance of the work of Subcontractor on the project.

5.1.2 Contractor shall have the right to determine and, if necessary, change the time, order and priority in which the various portions of the work shall be performed and all other matters relative to the timely and orderly performance of Subcontractor’s work. Subcontractor shall be reasonably notified of all subsequent changes and additional details to the progress schedule. Both Contractor and Subcontractor shall be bound by the updated progress schedule.

5.2 Subcontract Performance – Subcontractor shall use its best care, skill and diligence in supervising, directing and performing its work. Subcontractor shall have responsibility and control over the performance of its work, including the construction methods, techniques, means and sequences for coordinating and completing the various portions of its work.

5.3 Use of Contractor’s Equipment – Subcontractor, its agents, employees, subcontractors or suppliers shall use Contractor’s equipment only with the express written permission of Contractor’s designated representative and in accordance with Contractor’s terms and conditions for such use.

5.4 Time is of The Essence – Time is of the essence for both parties, and they mutually agree to ensure the performance of their respective work and the work of their subcontractors and suppliers so that the entire project may be completed in accordance with the Contract and the updated progress schedule.

ARTICLE 6

SUBCONTRACT INTERPRETATION

6.1 Inconsistencies and Omissions – Should inconsistencies or omissions appear in the Contract, it shall be the duty of Subcontractor to so notify Contractor in writing within three (3) working days of Subcontractor's discovery. Upon receipt of such notice, Contractor shall inform Subcontractor as to the measures to be taken and Subcontractor shall comply with Contractor's instructions. If Subcontractor performs work knowing it to be contrary to any applicable laws, statutes, ordinances, building codes, rules or regulations without notice to Contractor and advance approval by appropriate authorities, including Contractor, then Subcontractor shall assume full responsibility for such work and shall bear all associated costs, charges, fees and expenses necessarily incurred to remedy the violation(s).

6.2 Disputes Over Responsibility For Performance – Subcontractor agrees that in the event a dispute should occur between Subcontractor and another subcontractor or Contractor as to who has the responsibility to perform a particular item of work or repair damage to any particular item of work, the determination of who shall perform the work shall be made by Contractor.

6.3 Law and Effect – The Subcontract shall be governed by the law of the State in which the project is located.

6.4 Severability and Waiver – The partial or complete invalidity of any one or more provisions of this Subcontract shall not affect the validity or continuing force and effect of any other provision. The failure of either party to insist, in any one or more instances, upon the performance of any of the terms, covenants or conditions of the Subcontract, or to exercise any right provided to it, shall not be construed as a waiver or relinquishment of such term, covenant, condition or right with respect to further performance.

6.5 Recoverable Fees and Costs – Should either party institute suit or demand arbitration to enforce any of the provisions of the Subcontract, to protect its interests in any manner arising under the Subcontract, or to recover on a surety bond furnished by a party to the Subcontract, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs, charges, and expenses (including expert fees and testing) expended or incurred.

6.6 Titles – The titles given to the Articles and paragraphs of the Subcontract, and the order of their placement, are for ease of reference only and shall not be relied upon or cited for any other purpose.

6.7 Entire Agreement – The Subcontract is solely for the benefit of the signatories and represents the entire and integrated agreement between the parties and, unless specifically stated otherwise, supersedes all prior negotiations, representations or agreements, either written or oral.

6.8 Waiver of Any Breach – Waiver of any breach, alleged breach, provision, covenant or condition of the Subcontract by Contractor shall not be construed as a waiver of the same or any other provision of the Subcontract on any other occasion, nor shall such waiver serve as an estoppel of any other right Contractor may have. Should any provision in the Subcontract, or its attachments, be held or declared void or invalid, all other provisions shall remain in full force and effect.

ARTICLE 7 CONTRACTOR'S OBLIGATIONS

7.1 Authorized Representative – Contractor shall designate one or more persons who shall be Contractor's authorized representative(s) on-site and off-site. Such authorized representative(s) shall be the only person(s) Subcontractor shall look to for instructions, orders and/or directions, except in an emergency.

7.2 Lay Down Areas – If available, Contractor shall allocate to Subcontractor area(s) for Subcontractor's material and equipment during performance of the Subcontract.

7.3 Timely Communications – Contractor shall, with reasonable promptness, transmit to the appropriate parties all submittals, transmittals and written approvals relating to Subcontractor's work. Communications by and with Subcontractor's subcontractors and suppliers shall be through Subcontractor.

7.4 Backcharges For Services Rendered or Materials Furnished – Contractor agrees that backcharges for services rendered or materials furnished to Subcontractor shall not be valid unless Contractor gives Subcontractor written notice prior to the furnishing of the services and/or materials, except in an emergency affecting the safety of persons or property.

7.4.1 If requested in writing by Subcontractor, Contractor shall provide written compilations of the charges relating to such services or materials by the last day of the month following that in which the services are rendered or materials are furnished.

7.5 Layout Responsibility and Levels – Contractor shall establish principal axis lines and elevations of the structures and site. Subcontractor shall layout and be strictly responsible for the accuracy of Subcontractor's work and for any loss or damage to Contractor or others by reason of Subcontractor's failure to set out or perform its work correctly. Subcontractor shall exercise prudence so that the actual final conditions and details of its work shall result in alignment of finish surfaces.

7.6 Owner Ability to Pay – Subcontractor shall have the right to review with Contractor all information that Contractor has obtained relative to Owner's financial ability to pay for the Contract work.

ARTICLE 8 SUBCONTRACTOR'S OBLIGATIONS

8.1 Responsibilities – Subcontractor shall furnish all labor, materials, equipment and services necessary or incidental to perform its work in accordance with the Subcontract Documents. If requested by Contractor, Subcontractor shall provide to Contractor a list of its proposed subcontractors and suppliers.

8.2 Compliance with Laws, Rules, Ordinances and Regulations – Subcontractor shall, at its sole cost and expense, and without increase in the Subcontract Price, comply with all laws, rules, ordinances and regulations of all governing bodies having jurisdiction over the work, pay all manufacturers' taxes, sales taxes, use taxes, and all federal and state taxes, insurance and contribution for Social Security and unemployment which are measured by wages, salaries or other remunerations paid to Subcontractor's employees, whether levied under existing or subsequently enacted laws, rules or regulations.

8.2.1 Subcontractor shall give adequate notices to all required parties pertaining to Subcontractor's work and secure and pay for all permits, fees, licenses, assessments, and inspections necessary to complete its work in accordance with the Subcontract Documents.

8.2.2 Subcontractor shall be compensated for additional costs resulting from laws, ordinances, rules, regulations and taxes enacted after the date of the Contract only to the extent such additional costs are paid to Contractor by Owner.

8.3 Site Visitation – Subcontractor acknowledges that it has visited the project site and visually inspected the general and local conditions which could affect its work. Any failure of Subcontractor to reasonably ascertain, from a visual inspection of the site, the general and local conditions which could affect its work will not relieve Subcontractor from its responsibility to properly complete its work without change in the Subcontract Price.

8.4 Shop Drawings, Samples, Product Data and Manufacturers' Literature – Subcontractor shall promptly submit to Contractor for approval all shop drawings, samples, product data, manufacturers' literature and similar submittals required by the Contract. Subcontractor shall be responsible to Contractor for the accuracy and conformity of its submittals to the Contract requirements. Subcontractor shall prepare and deliver its submittals to Contractor in a manner consistent with the progress schedule and in such time and sequence so as not to delay Contractor or others in the performance of the Contract work. The approval of any Subcontractor submittal shall not be deemed to authorize deviations, substitutions or changes in the requirements of the Subcontract Documents unless express written approval is obtained from Contractor and Owner authorizing such deviation, substitution or change. In the event the Contract does not contain submittal requirements pertaining to Subcontractor's work, Subcontractor agrees upon request to submit to Contractor in a timely fashion for approval any shop drawings, samples, product data, manufacturers' literature or similar submittals as may reasonably be required.

8.4.1 Contractor, Owner and Architect are entitled to rely on the accuracy and completeness of any professional certifications required by the Subcontract Documents concerning the performance criteria of systems, equipment or materials, including all calculations and any governing performance requirements.

8.5 Coordination and Cooperation – Subcontractor shall:

- (a) cooperate with Contractor and all others whose work may interface with Subcontractor's work;
- (b) specifically note and immediately notify Contractor of any interference with Subcontractor's work; and
- (c) participate in the preparation of coordination drawings and work schedules involving Subcontractor's work.

8.6 Authorized Representative – Subcontractor shall designate in writing one or more competent contractor-approved persons who shall be the authorized Subcontractor representative(s) on-site and off-site. Such authorized representative(s) shall be the only person(s) to whom Contractor shall issue instructions, orders or directions, except in an emergency.

8.7 Communications – Subcontractor communications by and with Owner, Architect, separate contractors and/or other subcontractors and suppliers of Contractor, regardless of tier, shall be through Contractor.

8.8 Tests, Inspections and Approvals – Subcontractor shall coordinate and notify Contractor of all required tests, inspections and approvals of Subcontractor's work so as not to delay the performance of the work. Subcontractor shall schedule and provide proper written notice to all required parties of such tests, inspections and approvals.

8.9 Workmanship – Every part of Subcontractor's work shall be executed in accordance with the Subcontract Documents in a workmanlike manner. All materials needed by Subcontractor shall be furnished in sufficient quantities to facilitate the proper and expeditious execution of the work, and shall be new except such materials as may be expressly provided in the Subcontract Documents to be otherwise.

8.10 Materials or Equipment Furnished by Others – In the event the scope of Subcontractor's work includes installation of materials or equipment furnished by others, it shall be the responsibility of Subcontractor to inventory, examine, store and install the items, with such skill and care as to ensure a satisfactory and proper installation. Subcontractor shall promptly notify Contractor in writing of any defective materials or equipment.

8.11 Substitutions – No substitutions shall be made by Subcontractor unless permitted in the Subcontract Documents and only then upon Subcontractor first receiving all approvals required under the Subcontract Documents for substitutions. If Subcontractor initiates a substitution, deviation or change in the work which affects the scope of the work or the expense of other trades, Subcontractor shall be liable for all resulting expenses.

8.12 Warranty – Subcontractor warrants all materials and workmanship and agrees to replace at its sole cost and expense, and to the satisfaction of Contractor, any materials that are defective or improperly installed, and indemnifies Contractor from and against any liability, loss or damage arising from or relating to such materials and installation through the period of Subcontractor's performance and for a period of one year from completion of the Contract. If the period of warranty is specified in excess of one year by the Contract, Subcontractor shall be bound for the longer period specified.

8.13 Uncovering of Work – If required in writing by Contractor, Subcontractor must uncover any portion of its work which has been covered. All costs associated with the uncovering and related work shall be borne as follows:

- (a) If the work was covered in violation of the Subcontract Documents or contrary to a written directive issued to Subcontractor by Contractor, the uncovering, any corrective work and restoration shall be at Subcontractor's expense.
- (b) If the work was not covered in violation of the Subcontract Documents or contrary to a written directive issued to Subcontractor by Contractor, the Subcontract shall be adjusted by change order for all costs of uncovering and restoring any work which proves to be installed in accordance with the Subcontract Documents.
- (c) If any uncovered work does not comply with the Subcontract Documents and Subcontractor is responsible for the nonconforming condition, Subcontractor shall be responsible for all costs of uncovering, correcting and restoring the work so as to make it conform to the Subcontract Documents.

8.14 Correction of Work – Subcontractor is required to correct in a timely fashion any of its work rejected by Contractor or Owner for failing to comply with the Subcontract Documents whether observed prior to the commencement of the warranty period(s) or during the warranty period(s). Subcontractor shall correct at its own cost and bear the expense of additional services for any nonconforming work for which it is responsible, and shall remain responsible even after the warranty period for fraud, misrepresentation or latent defects.

8.15 Cleanup – Subcontractor shall follow Contractor's cleanup directions, and:

- (a) at all times keep the building and premises free from debris resulting from Subcontractor's work;
- (b) broom or rake clean each work area prior to discontinuing work in each area; and
- (c) Subcontractor's work shall not be considered complete until Subcontractor removes from the site all temporary structures, debris and waste incident to its operation and cleans all surfaces, fixtures, equipment, etc., relative to the performance of its work.

If Subcontractor fails to immediately commence compliance with the above cleanup duties after written notification from Contractor of noncompliance, Contractor may implement appropriate cleanup measures without further notice and deduct the resulting costs from any amounts due or to become due Subcontractor under the Subcontract.

8.16 Safety – Subcontractor is responsible for prevention of accidents arising from or relating to its work. Subcontractor shall comply fully with all federal, state and local laws, orders, citations, rules, regulations, standards and statutes affecting or relating to the Subcontract or its performance. Subcontractor shall comply with the accident prevention and safety program of Owner and Contractor. Establishment of a safety program by Contractor shall not relieve Subcontractor of its safety responsibilities. Subcontractor shall establish its own safety program implementing safety measures, policies and standards conforming to those required by governmental authorities having jurisdiction and by Contractor and Owner. Subcontractor shall notify Contractor immediately following an accident and promptly confirm the notice in writing. A detailed written report shall be furnished to Contractor. Subcontractor shall indemnify and hold Contractor harmless from all fines, penalties or costs of abatement imposed on Contractor as a result of safety violations caused by Subcontractor's failure to comply with applicable safety requirements. Subcontractor shall notify Contractor of any unsafe condition it discovers or observes and shall stop work until informed by Contractor that it may resume work.

8.16.1 Should Subcontractor encounter any hazardous substances at the site which are potentially harmful to persons or property, Subcontractor shall take all steps required by the Subcontract Documents and by law to protect persons and property from injury or damage, including stopping Subcontractor's work in the affected area(s) and promptly notifying Contractor in writing of the conditions encountered at the site. Should Subcontractor be required to stop work in any area of the project as a result of hazardous substances located at the site, Subcontractor shall not resume work in the affected area(s) until the hazardous substances have been removed or made harmless, all necessary approvals to resume work are obtained and Contractor gives Subcontractor written direction to resume work.

8.16.2 All safety sheets, plans, submittals or other such documents required by law or the Subcontract Documents pertaining to materials or substances used or consumed in the performance of Subcontractor's

work shall be submitted to Contractor by Subcontractor. Any such safety sheets, plans or submittals obtained by Contractor from other subcontractors or sources shall be made available to Subcontractor by Contractor.

8.17 Delegation or Subcontracting of Duties – Subcontractor is prohibited from delegating, transferring, conveying, subcontracting, relinquishing or otherwise disposing of the whole or any part of its duties under this Subcontract without the prior written approval of Contractor, which shall not be unreasonably withheld. Lower-tier subcontractors approved by Contractor on or before the effective date of the Subcontract may be listed below:

Subcontractor shall incorporate all terms of this Subcontract in any subcontracts or purchase orders with its subcontractors and suppliers.

8.18 Duty to Proceed – In the event of any dispute or controversy with Contractor, another subcontractor or other third party involved with the project, Subcontractor shall not cause or permit any delay or cessation of its work or cause delay or disruption to the work of any other subcontractor or Contractor on the project, but shall proceed with performance of its work pending resolution of such dispute or controversy. Contractor shall continue to make payments in accordance with the Subcontract.

8.19 Force Account Work – When directed in writing by Contractor, Subcontractor shall perform such additional work as directed by Contractor and Contractor shall pay to Subcontractor the actual costs of such directed work plus Subcontractor's overhead and profit at a combined rate of 15% of such actual costs. This provision shall not apply to Owner directed force account work or disputed work.

8.20 Workers – Contractor may order the removal from the job of any workers Contractor reasonable finds disruptive, incompetent, in violation of safety requirements/programs or otherwise detrimental to the successful completion of the project.

8.21 Contractor Expending Money – Whenever any money is expended or costs or expenses are incurred by Contractor on behalf of or on account of Subcontractor, which amounts Subcontractor should have paid, and for which amounts Subcontractor is required to reimburse Contractor, or if Contractor continues or completes the work after default by Subcontractor, Subcontractor shall pay to Contractor interest at the rate of 10% per annum from the time said money is expended or said costs or expenses are incurred until those amounts are repaid to Contractor by Subcontractor. Nothing contained in this provision or Subcontract shall be construed as requiring Contractor to make any such expenditures, advance any such money, or incur any such expenses. In the event that the balance of the monies due pursuant to this Subcontract are insufficient to cover Contractor's damages or exposure, then Contractor shall have the right to offset against monies owed Subcontractor on other projects, if any.

8.22 Protection of the Work – Subcontractor shall secure and protect the work done pursuant to this Subcontract until final acceptance by Contractor and Owner.

ARTICLE 9 LABOR RELATIONS

9.1 General Provisions – Employment of labor by Subcontractor shall be effected under conditions which are satisfactory to Contractor. Subcontractor shall keep a representative at the job site during all times when

Subcontractor's work is in progress, and such representative shall be authorized to represent Subcontractor as to all phases of the work. Prior to commencement of the work, Subcontractor shall notify Contractor in writing who Subcontractor's representative is to be, and in the event of any change of representative Subcontractor shall notify Contractor who the new representative is to be prior to such change becoming effective.

9.1.1 Subcontractor acknowledges that Contractor has entered into labor agreements covering work at its construction job sites with the following labor unions: N/A. If requested by Subcontractor, Contractor shall provide copies of all such labor agreements to Subcontractor. Subcontractor agrees to comply with all of the terms and conditions of those labor agreements set forth above. Subcontractor agrees, at its own expense, upon request of Contractor, to take all lawful steps to secure a binding and final determination of any jurisdictional dispute by the National Labor Relations Board.

9.1.2 Subcontractor will require all of its subcontractors and their subcontractors performing job site work to comply with the labor agreements specified above, and labor agreements which are binding upon them.

9.1.3 Subcontractor will indemnify and hold Contractor harmless from and against any liability, loss, damage, cost, claims, awards, judgments, fines, expenses, including litigation expenses, reasonable attorneys' fees and any other costs which may be incurred by Contractor resulting from Subcontractor's failure to comply with the above requirements.

9.2 Reserved Gate Usage – Subcontractor shall notify in writing and assign its employees, materialmen and suppliers to such gates or entrances as may be established for their use by Contractor and in accordance with such conditions and at such times as may be imposed by Contractor. Strict compliance with Contractor's gate usage procedures shall be required by Subcontractor who shall be responsible for such gate usage by its employees, materialmen, suppliers, subcontractors, and their materialmen and suppliers.

9.3 Staggered Days and Hours of Work and for Deliveries – Subcontractor shall schedule the work and the presence of its employees at the job site and any deliveries of supplies or materials by its materialmen and suppliers to the job site on such days, and such times and during such hours, as may be directed by Contractor. Subcontractor shall assume responsibility for such schedule compliance not only for its employees but for all its materialmen, suppliers and subcontractors, and their materialmen and suppliers.

9.4 Work Stoppages – Work stoppages (including sympathy strikes) or any other stoppage of work by employees performing work on, or delivering supplies or materials to, the job site shall not excuse any delay of Subcontractor in the proper performance of its work, regardless of whether the strike or other stoppage of work is attributed to union action or the action of an individual employee.

9.5 Default – Should Subcontractor default in the proper performance of its work, for reasons specified in this provision, Contractor may, as its option, terminate the Subcontract for cause in accordance with the termination for cause provision.

ARTICLE 10 INSURANCE

10.1 Subcontractor's Insurance – Prior to start of its work, Subcontractor shall procure for its work and maintain in force Workers' Compensation Insurance, Employer's Liability Insurance, Comprehensive

Automobile Liability Insurance, Comprehensive or Commercial General Liability Insurance on an occurrence basis, and any other insurance required of Subcontractor by the Subcontract Documents. Contractor shall be named as additional insured on each of these policies except for Workers' Compensation. Subcontractor shall also name as additional insured all other parties identified in the Contract to be so named. Subcontractor's insurance shall include contractual liability insurance covering Subcontractor's obligations under the Subcontract, including all indemnification provisions included in the Subcontract. Subcontractor shall provide completed operations coverage and maintain the same in full force for the duration of Subcontractor's work.

10.2 Minimum Limits of Liability – Subcontractor's Comprehensive or Commercial General Liability Insurance and Comprehensive Automobile Liability Insurance shall be written with limits of liability which meet the requirements set forth in the Contract, but at a minimum are not less than the following:

A. Comprehensive General Liability Insurance including completed operations:

- | | | |
|----|---|--|
| 1. | Combined Single Limit
Bodily Injury and
Property Damage | \$1 million for each occurrence
\$1 million aggregate |
| | or | |
| 2. | Bodily Injury | \$1 million for each occurrence
\$1 million aggregate |
| 3. | Property Damage | \$1 million for each occurrence
\$1 million aggregate |

B. Commercial General Liability Insurance:

- | | | |
|----|---|---------------------------------|
| 1. | Each Occurrence
Limit | \$1 million |
| 2. | General Aggregate | \$2 million |
| 3. | Products/Completed
Operations Aggregate | \$2 million |
| 4. | Personal and
Advertising Injury
Limit | \$1 million for each occurrence |

C. Comprehensive Automobile Liability Insurance:

1. Combined Single Limit
Bodily Injury and
Property Damage \$1 million for each occurrence

or

2. Bodily Injury \$1 million for each person
\$1 million for each occurrence
3. Property Damage \$500,000.00 aggregate

10.3 Cancellation, Renewal or Modification – Subcontractor shall maintain in effect all insurance coverage required under the Subcontract at Subcontractor's sole expense and with insurance companies rated as required by Owner but no less than a Best rating of A- or better. All insurance policies shall contain a provision that the coverages afforded shall not be canceled or not renewed, nor restrictive modifications added, until at least thirty (30) calendar days' prior written notice has been given to Contractor. Certificates of Insurance and additional insured endorsements shall be filed with Contractor prior to the commencement of Subcontractor's work. In the event Subcontractor fails to obtain or maintain any insurance coverage required under the Subcontract, Contractor may purchase such coverage and charge its expense to Subcontractor, or terminate the Subcontract for cause in accordance with the termination for cause provision of the Subcontract.

10.4 Builders Risk Insurance – Builder's Risk Insurance

- ☐ Is provided by Contractor
- ☐ Is provided by Owner
- ☒ Is not provided by Contractor or Owner

If Builder's Risk Insurance is provided by Contractor or Owner, upon written request by Subcontractor, Contractor shall provide Subcontractor with a copy of the Builder's Risk policy of insurance.

10.4.1 If Builder's Risk Insurance is provided by Owner or Contractor, then Contractor and Subcontractor waive all rights against each other and Owner, Architect, Architect's consultants and agents or employees of any of them, separate contractors, and all other subcontractors for loss or damage to the extent covered by Builder's Risk, except such rights as they may have to the proceeds of such insurance. However, this waiver shall not extend to the acts or omissions of Architect, Architect's consultants, and the agents or employees of any of them.

10.5 Endorsement – If the policies of insurance referred to in this Article require an endorsement to provide for continued coverage where there is a waiver of subrogation, the owners of such policies will cause them to be so endorsed.

ARTICLE 11 INDEMNIFICATION

11.1 General Indemnity – All work covered by the Subcontract done at the site of construction or in preparing or delivering materials or equipment, or any or all of them, to or from the site shall be at the risk of Subcontractor exclusively. To the fullest extent permitted by law, Subcontractor shall, with respect to all work which is covered by or incidental to the Subcontract, indemnify, hold harmless and defend Contractor from and against any and all allegations, losses, claims, actions, demands, damages, liabilities, or expenses (including costs, expenses and attorneys' fees), arising from or relating to the death or bodily injury to persons, injury to property, design defects (if design originated by Subcontractor), or other loss, damage or expense. Subcontractor's duty to indemnify shall include all damages caused or alleged to be caused in whole or in part by any negligent act or omission, whether active or passive, of: (a) Subcontractor; (b)

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anyone directly or indirectly employed by Subcontractor; (c) anyone for whose acts Subcontractor may be liable; or (d) Contractor. Subcontractor shall not be obligated to indemnify Contractor with respect to the sole negligence or willful misconduct of Contractor, its agents, servants or subcontractors who are directly responsible to Contractor, excluding Subcontractor.

11.1.1 However, if Owner does not require Contractor to provide a Type I indemnity to Owner (*i.e.*, only Owner's sole negligence and willful misconduct are excluded from the indemnity), paragraph 11.1 shall not apply and Subcontractor's indemnity to Contractor shall be the same indemnity Contractor is required to provide to Owner. In such event, Subcontractor agrees to Owner's indemnity provision with the substitutions of "Contractor" for "Owner" and "Subcontractor" for "Contractor."

11.2 Indemnification for Noncompliance With Laws – Subcontractor shall fully indemnify and hold Contractor harmless from all loss, costs and expenses attributable to any acts or omissions by Subcontractor which constitute a failure to comply with any laws, rules, ordinances and / or regulations of any governmental entity or agency.

11.3 Patents – Subcontractor shall pay all royalties and license fees which may be due on the inclusion of any patented materials in Subcontractor's work. Subcontractor shall defend all suits for claims for infringement of any patent rights arising out of Subcontractor's work, which may be brought against Contractor or Owner, and shall be liable to Contractor and Owner for all loss, including all costs, expenses and attorneys' fees in any such suit.

ARTICLE 12 CHANGES

12.1 Performance – Subcontractor shall proceed with all written directions issued by Contractor so as not to delay the work. Subcontractor shall adhere strictly to the Subcontract Documents unless directed otherwise in writing. Subcontractor shall not make any changes to the work set forth in the Subcontract Documents, either as additions or deletions, without the written direction of Contractor.

12.2 Incorporating Changes – All provisions of this Subcontract shall apply to any changes or extras in a like manner and to the same extent as though said changes or extras were incorporated in the Subcontract.

12.3 Notification of Additional Costs or Time – Subcontractor shall immediately provide written notification to Contractor if a written direction could result in additional costs or time of performance so that Contractor has sufficient time to take actions to minimize any additional costs or time, and has sufficient time to provide notification to Owner in accordance with the Contract.

12.4 Submission of Cost Proposals and Requests For Time Extensions – Subcontractor shall submit its cost proposal(s) in sufficient time for Contractor to comply with any submission requirements of Owner. All such cost proposals shall itemize, in a form acceptable to Contractor, any change in costs or time for performance which result from any written direction issued by Contractor.

12.5 Cost Proposal Negotiations – At Subcontractor's request, it shall be invited to attend and participate in all negotiations with Owner or others that relate to settlement or resolution of its cost proposals. At Contractor's request, Subcontractor shall attend and participate in negotiations with Owner or others that relate to settlement or resolution of Subcontractor's cost proposals.

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ARTICLE 13 DELAYS

13.1 Excusable Delays – An excusable delay is one which is caused by circumstances or events beyond the control and without the fault or negligence of Contractor or Subcontractor, and which is recognized by the Contract as “excusable,” that is, a delay for which the contract time is extended but for which no compensation is allowed. To the extent excusable delays occur and affect Contractor’s and/or Subcontractor’s ability to complete their work in accordance with the updated progress schedule, the affected party’s time for performance shall be extended, but only to the extent such extensions are allowed by Owner.

13.2 Subcontractor Caused Delays – Subcontractor caused delays are delays caused by the failure of Subcontractor, or any party for which Subcontractor is responsible, to perform any portion of its work in accordance with the updated progress schedule. If Subcontractor delays cause delay and/or disruption to the Contract work, Subcontractor shall be liable for all costs and damages sustained by Contractor or for which Contractor may be liable to Owner or any other party, including consequential damages and liquidated damages. If Subcontractor delays are only one of multiple causes for delay to the Contract work, Subcontractor shall only be liable for its proportionate share of any resulting damages.

13.3 Contractor Caused Delays – Contractor caused delays are delays caused by the failure of Contractor, or any party for which Contractor is responsible, to perform any portion of its work in accordance with the updated progress schedule. If Contractor delays cause delay and/or disruption to Subcontractor’s work, Contractor shall be liable for all costs and damages sustained by Subcontractor, or for which Subcontractor may be liable to any other party, including consequential damages. If Contractor delays are only one of multiple causes for delay to Subcontractor’s work, Contractor shall only be liable for its proportionate share of any resulting damages.

13.4 Concurrent Delays – Concurrent delays are delays which can be attributed to either: (a) excusable delays and Subcontractor caused delays occurring concurrently; or (b) excusable delays and Contractor caused delays occurring concurrently. To the extent any portion of a delay is concurrent delay, and affects Contractor’s and/or Subcontractor’s ability to complete its work in accordance with the updated progress schedule, the period of performance shall be extended but neither Contractor nor Subcontractor shall be entitled to recover any costs or damages.

13.5 Disputed Delays – If Subcontractor disputes the determination of the cause of any delay and wishes to pursue that dispute, it must comply with the Claims article of the Subcontract.

ARTICLE 14 CLAIMS

14.1 Claim – A claim is a written demand by Subcontractor seeking an adjustment in the Subcontract Price and/or time, or the recovery of withheld disputed funds.

14.2 Notification of Claims – Subcontractor shall immediately provide written notification to Contractor of any claims so that Contractor has sufficient time to take actions to minimize any additional costs or time, and has sufficient time to provide notification to Owner in accordance with the Contract.

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14.3 Submission of Claims – Subcontractor shall submit its claims in sufficient time for Contractor to comply with any submission requirements of Owner. All such claims shall itemize, in a form acceptable to Contractor, any additional costs or time for performance being sought by Subcontractor.

14.4 Claims with Owner – To the extent Contractor determines Subcontractor's claim is one for which Owner may be liable, the following procedure shall apply:

- (a) Contractor will present Subcontractor's claim to Owner's first level designated representative. The decision of such representative will be conveyed in writing to Subcontractor and such decision shall be final unless Subcontractor notifies Contractor in writing of its desire to proceed further in sufficient time for Contractor to comply with any notification or submission requirements to Owner.
- (b) Upon receipt of Subcontractor's notice to proceed further, at Contractor's option, Subcontractor's claim may be further pursued with Owner. In such event, Contractor may allow Subcontractor to act in its own behalf and with its own consultants/attorneys at Subcontractor's cost to continue the required process and any subsequent administrative proceeding or litigation. If Contractor does not allow Subcontractor to act in its own behalf or it is procedurally impermissible for Subcontractor to proceed in its own behalf, and Contractor elects to allow the continued pursuit of Subcontractor's claim, then at the written request of Subcontractor, Contractor will proceed with the dispute on condition that Subcontractor pay to Contractor all of its actual costs arising out of such process, including but not limited to attorneys' fees, court costs and the costs of Contractor's personnel employed in pursuing the case against Owner.
- (c) If Contractor elects to not allow further pursuit of Subcontractor's claim against Owner, and Subcontractor disputes such decision, Subcontractor may pursue its claim pursuant to the Disputes Resolution Article of the Subcontract.
- (d) Nothing shall prevent Contractor from accepting a contract modification from Owner which preserves the rights of Subcontractor.
- (e) If because of Subcontractor's claim, Owner withholds any sums due Contractor, then Subcontractor shall pay to Contractor interest on the amounts so withheld at the rate of 10 percent per annum. If Owner withholds sums due Subcontractor as a result of a claim of Contractor, Contractor shall pay to Subcontractor interest on the amounts so withheld at the rate of 10 percent per annum.

ARTICLE 15 DISPUTES RESOLUTION

15.1 Claims Not Involving Owner – To the extent Subcontractor submits a claim which Contractor determines is one for which Owner may not be liable, or is one which Contractor elects to not allow Subcontractor to further pursue with Owner, or to the extent Contractor has a claim against Subcontractor, the following procedures shall apply and begin within 60 days of notification:

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- (a) If the dispute cannot be settled through direct discussions, the parties shall attempt to settle the dispute by mediation before recourse to any other method of dispute resolution. Unless the parties agree otherwise, the mediation shall be conducted in accordance with the Construction Mediation Rules of the American Arbitration Association.
- (b) If mediation does not resolve the dispute, then the parties may agree to resolve the dispute through binding arbitration. If so, the arbitrator(s)' decision shall be enforceable in a court of law and judgment shall be entered in accordance with such decision.
- (c) If mediation does not resolve the dispute and the parties do not agree to resolution by binding arbitration, either party may proceed with any allowable resolution process.

15.2 Participation In Proceedings – If Contractor receives a claim from any other party and Contractor determines Subcontractor may be liable, in whole or in part, for such claim, Subcontractor shall participate in the disputes resolution process with Contractor and such other party. To the extent practical, Contractor will not agree to binding arbitration or any other form of resolution with the other party without Subcontractor's consent. If, however, Contractor could not have determined, by reasonable diligence, that Subcontractor may be liable for the other party's claim before binding arbitration or any other form of resolution was already agreed upon, Subcontractor shall participate in that arbitration or other form of resolution and shall be bound by the decision rendered in that proceeding.

ARTICLE 16 PAYMENT

16.1 Schedule of Values – Within 10 days of Contractor's request, Subcontractor shall prepare and submit to Contractor a Schedule of Values which breaks down Subcontractor's work into individual activities. Each activity contained in the Schedule of Values shall be assigned a monetary price such that the total of all such items shall equal the Subcontract Price. The Schedule of Values shall be prepared in such detail as may be required by Owner and/or Contractor.

16.2 Payment and Verification – Subcontractor is required to pay for all labor, materials and equipment used in the performance of Subcontractor's work through the most current period applicable to progress payments received from Contractor. Contractor may require reasonable evidence to show that all obligations relating to Subcontractor's work are current through all payments received from Contractor before releasing any payment due for Subcontractor's work.

16.3 Progress Payment Applications – Subcontractor's applications for payment shall be itemized and in accordance with Subcontractor's Schedule of Values and any other substantiating data as required in the Contract for Contractor's payment applications. Subcontract payment applications may include amounts for Subcontract change orders which have been fully executed by Subcontractor and Contractor. Subcontractor cannot include in its payment applications any amounts for changes which have not been fully executed by Subcontractor and Contractor, or for disputed work.

16.4 Stored Materials and Equipment – If allowed by Owner, applications for payment may include materials and equipment not incorporated into Subcontractor's work but suitably stored on or off the site.

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Approval of payment applications for materials and equipment stored on or off the site shall be conditioned on: (1) submission by Subcontractor of bills of sale and applicable insurance or such other procedures satisfactory to Owner and Contractor to establish the proper valuation and protection of the stored materials and equipment; (2) Owner's and/or Contractor's title to such materials and equipment; and (3) any other documents or procedures to protect Owner's and Contractor's interests, including during the transportation of such items to the site by Subcontractor.

16.5 Time for Submission of Application – Subcontractor's progress payment application shall be submitted to Contractor in sufficient time for Contractor to include it in Contractor's payment request to Owner. Contractor shall incorporate the amount of Subcontractor's progress payment application approved by Owner into Contractor's payment application to Owner for the same period and timely submit it to Owner. If requested by Subcontractor, Contractor shall inform Subcontractor of Owner's changes to Subcontractor's percentages of completion reflected on Subcontractor's payment application and/or other adjustments affecting Subcontractor.

16.6 Copy of Payment Request – Upon written request, Contractor shall give Subcontractor a copy of that portion of Contractor's most current application for payment reflecting the percentages approved and/or paid by Owner for Subcontractor's work performed to date.

16.7 Lien Waivers – Subcontractor shall provide, in a form satisfactory to Owner and Contractor, lien or claim waivers in the amount of the application for payment from Subcontractor, and its subcontractors, materialmen and suppliers for the completed work. Contractor may refuse to pay Subcontractor if Subcontractor fails to provide such waivers. If such waivers are conditional upon payment, Contractor may choose to make payment by issuance of joint checks to Subcontractor and its subcontractors, materialmen and suppliers. Subcontractor shall not be required to sign an unconditional waiver of lien or claim prior to receiving payment, or in an amount in excess of what it has been paid.

16.8 Application Reduction, Rejection or Nullification – Contractor may reduce or reject a Subcontractor payment application or nullify a previously approved Subcontractor payment application, in whole or in part, as may reasonably be necessary to protect Contractor from loss or damage based upon:

- (a) Subcontractor's failure to perform its work as required by the Subcontract Documents;
- (b) Loss or damage to Owner, Contractor or others to whom Contractor may be liable arising out of or relating to the Subcontract and caused by Subcontractor or its lower tier subcontractors or suppliers;
- (c) Subcontractor's failure to properly pay for labor, materials, equipment or supplies furnished in connection with its work;
- (d) Rejected, nonconforming or defective work which has not been corrected;
- (e) Reasonable evidence of delay in performance of Subcontractor's work such that the work will not be completed within the time allotted by the updated progress schedule, and that the unpaid balance of the Subcontract Price is insufficient to offset the liquidated damages or actual damages that may be sustained by Contractor as a result of the anticipated delay caused by Subcontractor;

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- (f) Reasonable evidence demonstrating that the unpaid balance of the Subcontract Price is insufficient to cover the cost to complete Subcontractor's work;
- (g) Third party claims against Subcontractor or reasonable evidence demonstrating that third party claims are likely to be filed. Subcontractor can eliminate this basis by furnishing Contractor with adequate security in the form of a surety bond, letter of credit or other collateral or commitment which is sufficient to discharge such claims if established;
- (h) Owner's reduction, rejection or nullification of any part of a payment application; or
- (i) Any other failure to comply with the terms and conditions of the Subcontract Documents.

Contractor shall give written notice to Subcontractor, at the time of reducing, disapproving or nullifying an application for payment, of the specific reasons for Contractor's action. When the above reasons for reducing, disapproving or nullifying an application for payment are removed, payment will be made for amounts previously withheld.

16.9 Retention – Contractor may withhold from Subcontractor retention up to a rate of 10 percent, or as provided by law.

16.10 Payment Not Acceptance – Payment to Subcontractor does not constitute or imply acceptance of any portion of Subcontractor's work.

16.11 Final Payment Application – Contractor is required to incorporate Subcontractor's application for final payment into Contractor's next application for payment to the Owner only after the following occur:

- (a) acceptance of Subcontractor's work by Contractor and Owner;
- (b) if requested by Contractor, evidence acceptable to Contractor that all payrolls, bills for materials and equipment, and other indebtedness connected with Subcontractor's work have been fully paid, or will be fully paid by issuance of joint checks in return for unconditional releases;
- (c) if requested by Contractor, consent of Subcontractor's surety to final payment;
- (d) satisfaction of close-out procedures as may be required by the Subcontract Documents; and
- (e) if requested by Contractor, releases and waivers of liens, stop notices, bond rights, or any rights against Contractor, its surety or Owner, effective upon payment, to the extent and in such form as may be designated by Contractor.

16.12 Effect of Final Payment – Acceptance of final payment by Subcontractor shall constitute a waiver of claims by Subcontractor, except for claims reserved in a final release.

ARTICLE 17 RECOURSE BY CONTRACTOR

17.1 Failure of Performance – If Subcontractor refuses or fails to fully and timely perform its obligations pursuant to the Subcontract, Contractor may, after two (2) working days written notice to Subcontractor, commence and continue satisfactory correction of such failure, and without prejudice to any other rights or remedies, provide the most expeditious correction of the failure by whatever means Contractor deems appropriate and charge the resulting costs to Subcontractor. A failure to fully and timely perform shall include but not be limited to, failing to supply enough properly skilled workers or proper materials, failing to maintain performance in accordance with the updated progress schedule, failing to make prompt payment to its workers, subcontractors or suppliers, disregarding laws, ordinances, rules, regulations or orders of any authority having jurisdiction, or otherwise failing or refusing to comply with any provision of the Subcontract. In the event of an emergency affecting the safety of persons or property, Contractor may proceed to commence and continue satisfactory correction of such failure without first giving two (2) working days' written notice to Subcontractor, but shall give prompt written notice of such action to Subcontractor.

ARTICLE 18 TERMINATION

18.1 Termination For Cause – If Subcontractor fails to perform any of its Subcontract obligations, Contractor may, after seven (7) calendar days written notification and in lieu of or in addition to any other remedies, terminate the Subcontract. A separate written notice of termination shall be issued by Contractor to Subcontractor at the time the Subcontract is terminated. If such a termination occurs, Contractor shall have the right to take and use any materials, equipment, appliances or tools furnished by, belonging or delivered to Subcontractor and located at the project for the purpose of completing any remaining Subcontractor work.

In the event the Subcontract is terminated for cause, Subcontractor shall not be entitled to receive any further payment until the Contract work is completed. At that time, if the amounts earned but not paid Subcontractor before the termination exceed the expenses incurred by Contractor in completing Subcontractor's work, any excess shall be paid by Contractor to Subcontractor; but, if Contractor's expense to complete Subcontractor's work exceeds the amount earned and unpaid, Subcontractor shall promptly pay the excess amount to Contractor. The expense incurred by Contractor shall include Contractor's costs for completing the work, including overhead, profit and attorneys' fees, and any damages incurred by Contractor by reason of Subcontractor's default.

18.2 Termination By Owner – If Owner terminates the Contract, or any part which includes portions of Subcontractor's work, Contractor shall notify Subcontractor in writing and Subcontractor shall immediately stop the performance of the terminated work, follow Contractor's instructions regarding any shutdown and termination procedures, and mitigate all costs. If Owner's termination partially eliminates Subcontractor's work, Contractor may terminate the Subcontract in its entirety.

18.2.1 Contractor's liability to Subcontractor for any damages incurred or claims resulting from Owner termination for convenience shall be limited to the amount Owner is determined to be liable to Contractor for Subcontractor's damages. Contractor's liability to Subcontractor for Owner's termination for cause shall be determined pursuant to the Claims and Disputes Resolution Articles of the Subcontract.

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ARTICLE 19
SUSPENSION OF WORK

19.1 Contractor may order Subcontractor in writing to suspend all or any part of Subcontractor's work for such period of time as Contractor deems appropriate. Contractor's liability to Subcontractor for any delay or disruption resulting from such suspension shall be determined pursuant to the Claims and Disputes Resolution Articles of the Subcontract. If the suspension is directed or caused by Owner, Contractor's liability to Subcontractor shall be limited to the amount Owner is determined to be liable to Contractor for Subcontractor's damages.

ARTICLE 20
ASSIGNMENT OF SUBCONTRACT

20.1 Subcontractor shall not, without written consent of Contractor, assign its rights in the Subcontract to others. This Subcontract may be assigned by Contractor to its bonding company.

~ END ~

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SUBCONTRACT

SIGNATURE PAGE

Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P. O. Box 26000, Sacramento, California 95826.

Representation By Contractor

Contractor represents to Subcontractor that this Subcontract is the "Long Form Subcontract Between General Contractor and Subcontractor" which was developed by The Associated General Contractors of America, San Diego Chapter, Inc. Neither Contractor nor Subcontractor have modified the printed language of the standard form agreement except by strike outs, interlineations or the like which have been initialed by both parties, or by attachments which are identified and attached. Contractor and Subcontractor may rely on all other printed portions of the Subcontract as being unaltered from the form contract published by AGC San Diego. Any change to the printed language which was not initialed by both parties or set forth in an attachment shall have no force and effect on either party and both parties shall instead be bound by the unaltered printed language. This provision does not apply to the language which must be inserted into the blank spaces or to the blocks which must be checked. Those items need not be initialed by the parties.

Representation By Subcontractor

Subcontractor warrants that it is properly licensed by the Contractors' State License Board of the State of California with the proper license classifications for performance of its work. Subcontractor further warrants that its license is and will remain current, active and in good standing all times during performance of its work.

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**This Subcontract has important legal and insurance consequences.
Consultation with an attorney and insurance consultant is encouraged with
respect to its completion or modification.**

The parties have executed this Subcontract for themselves, their heirs, executors, successors, administrators and assigns at the place and on the day and year first written above.

SUBCONTRACTOR

Firm: Baker Electric

By 

Print Name/Title George England Group Manager

CA Contractor's License # C10-161756

Federal I.D. # 95-1853761

State of Incorporation California

Partnership

Proprietorship ☐

CONTRACTOR

Firm: Cornerstone Building Group

By 

Richard Osgood, CEO

CA Contractor's License # 812183

Building Renovation B-62502
MCB Camp Pendleton
CORNERSTONE BUILDING GROUP PROJECT NO. 614

ATTACHMENT "A" TO SUBCONTRACTOR AGREEMENT NO.: 614 - 16100S

SUBCONTRACTOR: BAKER ELECTRIC

1. The above-referenced Contract Number must appear on all packages, bills of lading, packing slips, billings, and correspondence.
2. Subcontractor shall provide satisfactory Faithful Performance and Payment Bonds for 100% of Subcontractor's contract amount if contract exceeds \$100,000.00. All Bonds must be executed by an admitted insurer listed in the Federal Register and have a AA rating. Cost of Bonds shall be included in contract amount. Note: (see AGC Contract Article 4, Surety Bonding Section 4.2)
3. **SUBMITTALS** - Where required in each Specification Section, Subcontractor shall provide complete material submittals in accordance with Specification Section 01300 and Article 23 and 31 of the General Conditions, with the exception that Contractor shall be supplied with 6 volumes of manufacturer's literature, one sepia transparency of each sheet, six blue line or black line prints of each sheet, and 6 samples. One copy will be returned to Subcontractor. All submittals shall be delivered to Contractor's job site office as a complete package per the time schedule in Section 01300-1.3-C, except that all submittals shall be submitted to Contractor within 5 calendar days after Notice to Proceed to Contractor.

SUBCONTRACTOR'S RESPONSIBILITY OF COMPLIANCE - Subcontractor is reminded of the stringent requirements for material submittals, which shall be vigorously enforced during this Project. Subcontractor shall be solely responsible for compliance with all Contract Document requirements relative to material submittals including absolute conformance with the terms and/or definitions of required submittal items delineated in the General Requirements and/or Section 01330 - SUBMITTAL PROCEDURES except as modified herein which shall prevail.

FORM AND FORMAT - Present all complete submittals for each individual Specification Section in individually-bound volumes, titled with the Project name and number as well as the individual Specification Section to which it pertains. Provide an index of included items using the same order and format as delineated in each Specification Section for "Submittals" as the first page of each volume. Title the index with the applicable Specification Section name and number. Each submittal item to be incorporated into the Project shall be clearly marked and identified in the submittals and catalogue data and shall be cross-referenced to the Contract drawings and/or Specifications so as to clearly identify the use for which it is intended. Clearly mark each sheet in each volume in the same numerical sequence as each Specification Section paragraph is arranged.

SUBCONTRACTOR'S STATEMENT(S) OF COMPLIANCE: Make a statement for each Specification paragraph or subparagraph which is preceded with a number or letter. Such statement will be used to communicate what Subcontractor is submitting. In cases where the paragraph implies instruction only, the word "NOTED" may be used indicating acknowledgement. Otherwise, a statement requiring a formal answer from the Architect should be made. Where common building materials, such as wire or pipe, are specified, Subcontractor may use the words "AS SPECIFIED", indicating total and strict compliance with the referenced paragraph. If any product, product data, and/or product description in the Specification Section will not be used and/or is not pertinent to this project, indicate such with "NOT APPLICABLE" next to the item. All other paragraphs involving a manufactured product and its installation requirements shall be submitted as specified herein, using the Specification number system for identification.

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1

[Signature]

Any submittal or portion thereof which is returned from the Architect/Owner marked "REVISE AND RESUBMIT" or "REJECTED" shall be so remedied and/or corrected, and returned to Contractor by Subcontractor within 5 business days of Subcontractor's receipt of such returned submittal.

SUBMITTAL CERTIFICATION BY SUBCONTRACTOR: All submittals shall be complete, correct, and in proper format in all respects. All submittals shall clearly state whether product(s) falls into one of the three following categories:

3. A. "As Specified.
4. B. "Or Equal" – referencing Article 30 of the General Conditions. "Or Equal" materials must be accompanied with a request for substitution for product of manufacturer which is not specifically named.
5. C. "Substitution" – reference paragraph-covering substitutions below. Such submittal shall contain both the specified product's literature as well as the proposed substitution's product literature for the Architect's comparison.

All submittals shall be so certified by Subcontractor. At time of transfer of Subcontractor's proposed submittal packages to Contractor for approval, such volumes shall be accompanied with the following statement, on Subcontractor's letterhead, and signed by an authorized and responsible person of your company:

"I hereby certify that the equipment/material/article shown or marked in these submittals and proposed to be incorporated into the work of Contract No. 614-16100S are in complete compliance with the Contract Documents and can be installed in the allocated spaces".

NAME OF SUBCONTRACTOR: BAKER ELECTRIC

AUTHORIZED SIGNATURE: _____

JOB TITLE: _____

DATE: _____

Any and all submittals without such signed certification may be rejected. It shall be construed that the above statement is in effect for any and all submittals given to Contractor by Subcontractor, whether so indicated or not on individual submittals by Subcontractor's signature on this Subcontractor Agreement.

SUBMITTAL PROCESSING COSTS – Contractor will absorb and pay all costs for submittal approval for normal processing of material submittals in accordance with Contract Documents providing such submittals are complete, correct, and in proper format. However, Subcontractor will be responsible and liable for all Contractor and Designer costs incurred with re-submittals, re-review, re-certification, and/or requests for material substitutions/deviations, and/or "Or Equal" products.

SUBSTITUTIONS – Substitutions are discouraged for work, materials, equipment, or methods of installation on this project. Referencing Article 5.21.2 (Substitutions) of the General Conditions and Specification Section 01340, substitutions are permitted provided that Subcontractor can establish equality required by Owner/Architect and Request for Substitution is submitted to the Contractor within 30 calendar days of the Owner's Notice to Proceed to Contractor. Subcontractor shall assume any and all liabilities for costs, delays, disruptions, and/or out-of-phase work of other trades resulting from Subcontractor's proposed substitution, whether approved or disapproved.

Approved material submittals must be on file at the job site before delivery of proposed materials to the job site.

4. Referencing Section 01730 and where specifically required in the Contract Documents, Subcontractor shall provide Contractor with instruction manuals, parts lists, and operating and

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maintenance manuals in the form and format specified, except that the number of such documents provided to Contractor shall be two more than specified in such Contract specifications. All manuals must be delivered to Contractor within 10 days of receipt of said equipment.

5. Subcontractor shall provide and update as required names, addresses, and phone numbers of all key personnel.

6. A Daily Report must be filled out by Subcontractor and in Contractor's job site trailer no later than 5:00 p.m. the same day **without exception**. The form will be furnished by Contractor. All areas of the form must be filled out. Subcontractor shall be solely responsible for assuring that the information is complete and in agreement with Subcontractor's certified payroll reports. Subcontractor's failure to submit correct daily reports may cause Contractor to withhold portions of Subcontractor's progress payments.

7. Certified Payroll Reports (one original and two copies) are due on a weekly basis and must be delivered to Contractor no later than 10 calendar days after Subcontractor's work has been performed. Reports must conform exactly with the actual hours worked and reported at the job site. Wage rates must be in compliance with the Prevailing Wage Rates governing this Project. It is Subcontractor's responsibility to verify his own employees' hourly pay rate.

For any Subcontractor unfamiliar with certified payroll, Contractor will instruct Subcontractor on how to fill the report out **the first time only**. Subcontractor is solely responsible for all subsequent reports.

If Subcontractor pays fringe benefits into an approved plan/fund/program, Subcontractor must submit the name of said plan with an itemized breakdown of the hourly dollar amounts with Subcontractor's first certified payroll report. Apprenticeship employees' paperwork must also be submitted whenever an apprentice appears on the daily reports. In addition, Subcontractor shall provide Contractor with proof that dues are being contributed to said plan by submitting a copy of the monthly report and a copy of the check you are submitting with the certified payroll report.

Contractor reserves the right to interview any person(s) working on the job site to clarify the trade classification and rate of pay. Furthermore, Contractor reserves the right to request copies of canceled payroll checks as proof of payment to said employees.

Subcontractor understands that Contractor may withhold entire amount of progress payment if subcontractor is delinquent on providing certified payroll reports or has failed to correct noted deficiencies on reports.

8. Subcontractor shall provide proof of insurance to Contractor in accordance with Clause A INSURANCE, of the General Subcontract Provisions of the AGC Standard Form Subcontract Agreement except as modified herein, which shall prevail. Such insurance certificates must be on file at Contractor's job site office before Subcontractor may commence work at the job site. Minimum comprehensive general liability and property damage insurance amounts of \$1,000,000.00 are required and must be provided. Workers compensation in amounts required by State Law shall also be provided. Both "**Cornerstone Building Group**" and "**NAVFAC Southwest**" must be named as "**Additional Insured**" and "**Certificate Holder**". Additional insured endorsement shall provide coverage for completed operations and shall be issued on Form CG 20 10 11 85 or its equivalent.

In the cancellation clause "...endeavor to..." and "...but failure to..." to the end of the sentence must be stricken. There shall be a provision for a minimum of 30 days written cancellation notice. **The Project name and number must appear on the certificates.**

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9. Scheduling Requirements/Schedule of Values – Within 7 calendar days of receipt of Contractor's Preliminary Construction Schedule, Subcontractor shall submit a complete, itemized breakdown of work indicating activity sequence, cost of labor and material for each activity, crew size, and expected duration required to complete each work sequence. Contractor shall attempt to integrate this information into Contractor's 'baseline construction schedule. Upon Owner's approval, such schedule and monthly schedule updates will be used in billings for progress payments. Please note any requirements, which would affect out trade, (i.e. drying times, painting before trim, etc.) Failure of Subcontractor to comply with this requirement within the allotted time shall allow Contractor to develop the Schedule of Values on behalf of Subcontractor as if submitted by Subcontractor.

10. Subcontractor's Tier Subcontractors and Suppliers – Subcontractor shall provide Contractor with a complete list of tier subs/suppliers to be returned with signed Contract, and shall constantly update such list as scope of work indicates. Failure of Subcontractor to provide and update this list to Contractor will cause Subcontractor's progress payment to be deferred until properly provided to Contractor with no exceptions. Subcontractor shall provide unconditional lien releases from pertinent suppliers and tier sub labor with each and every progress billing. If Subcontractor does not have any tier subs or suppliers, Subcontractor shall advise Contractor in writing and such statement shall accompany each and every progress-billing request.

At Contractor's option, Contractor may make payment to Subcontractor for approved progress payments by joint checks payable to Subcontractor and Subcontractor's tier subs/suppliers for amounts owed. At Contractor's option, Contractor may pay directly to any of Subcontractor's unpaid tier subs/suppliers any amounts owed on behalf of Subcontractor and set off such amounts against Subcontractor's contract amount. Contractor shall provide notification of such to Subcontractor and shall assist in resolving outstanding disputes related to this project with tier subs/suppliers.

NOTE: All releases must be signed by an officer of the company and all releases must be complete including specific dollar amounts. Releases with no dollar amount indicated, or "sufficient funds" or other similar language will not be accepted.

11. Joint Apprentice Committee (JAC) State Code 1777.5, 1777.6, and 1777.7 – All Subcontractors performing on public works projects are required to comply with referenced sections of the State Labor Code each time they receive an award to perform on a public works project. Non-signatory subcontractors using employees in apprenticeship trades are required to apply to the appropriate JAC, requesting permission to employ and train apprentices. It is suggested that all applications be sent by certified mail as a means to show proof that an application was submitted. A copy of that application must be submitted to Contractor with the first monthly-certified payroll reports as proof of compliance. Subcontractors who are signatory to a labor agreement are required to submit in letter form with first monthly report, a statement identifying which laborer agreement(s) they are signatory to as related to this project.

12. As-Built Drawings, conforming to Contract Document requirements must be maintained by Subcontractor for all of Subcontractor's work, and kept current on a weekly basis. Subcontractor shall utilize and update as-built drawings and coordinate as-built requirements with the Project's QC Manager.

13. 10% Retention will be withheld by Contractor on all progress payments. A greater amount will be withheld if Subcontractor does not maintain and regularly update, where required by the Contract Documents, the following:

- A. Material submittals including, but not limited to, samples, certifications, shop drawings, certified test results, and/or any other required data for materials and/or equipment.
- B. O&M Manuals, operating instructions, warranty date, etc.
- C. Subcontractor daily reports.

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- D. Certified payrolls.
- E. Names, addresses, and phone numbers of Subcontractor's Project Manager and Foreman.
- F. Insurance certificates - kept current.
- G. Hazard Communication Regulation Requirements.
- H. List of all tier subcontractors and Subcontractors with respective addresses and phone numbers.
- I. Schedule of Prices.
- J. Scheduling requirements.
- K. As-Built Drawings - kept current.
- L. Lien releases for tier-subcontractor's and Subcontractors with each and every progress payment request.
- M. Equal Opportunity and/or Affirmative Action Participation Compliance requirements and/or documentation.
- N. Subcontractor's Safety Plan.

14. Billing procedures must be in accordance with the format outlined below:

Contract Amount _____
 Approved Change Orders _____
 Revised Contract Amount _____

 Current Billing Amount-Completed/Approve _____
 (Attach Schedule of Prices)
 Amount of Change Order Work _____
 Total Amount This Billing _____
 Less Retention _____
 Sub-Total _____
 Less Previously Amount Billed _____
 Less Back Charges (if applicable) _____
 Current Amount Due _____

Billing date shall be the 25th of each month, projected through the end of the month. Payment to Subcontractor shall be made within seven calendar days after Contractor has received payment from Owner.

Subcontractor shall provide his Federal Tax Identification Number or Social Security Number and a copy of his State Business License as a requirement of this Contract. There will be no Contract payment issued until these requirements are fulfilled.

Progress payments by Contractor to Subcontractor for any stored materials, either on-site or in a "bonded" warehouse, and/or equipment prior to fixed installation at the Project are subject to the following conditions and stipulations which supersede any other provisions(s) to this Agreement:

A. Sole ownership and means of distribution of such material and/or equipment transfers exclusively to Cornerstone Building Group upon Subcontractor's receipt of payment. At time of Subcontractor's application for progress payment, Subcontractor shall provide Contractor with a detailed inventory of specific description and quantity for each and every item(s), and stating that Contractor owns such materials and/or equipment upon Subcontractor's receipt of said payment.

B. Subcontractor shall provide Installation Floater Insurance coverage for the replacement values of such materials and/or equipment that explicitly names "Cornerstone Building Group" as additional insured on the insurance certificate.

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- C. Progress payment amount to Subcontractor shall not exceed the actual invoice amount for such materials and equipment that Subcontractor owes.
- D. Subcontractor shall comply with all requirements for payment of stored materials in accordance with Section 00721 and/or 01200.

15. If Subcontractor and Contractor have any other contractual agreements, any funds from this Agreement or from any other contractual agreement(s), may be applied to complete, satisfy, pay for, or implement any contractual agreements and obligations. Subcontractor and Contractor mutually agree to honor all agreements contained herein.

16. Contractor's Code of Safe Practices, in addition to applicable Federal, State, and Local Regulations, shall be considered minimum safety standards for this Project. A copy of Subcontractor's safety plan must be submitted to Contractor within 5 days of award of Subcontract. Safety standards will be enforced by way of Safety Violation and Correction Notice issued through a designated Cornerstone Building Group employee. A maximum of three documented violations per Subcontractor or per employee shall be considered reasonable cause to suspend Subcontractor or employee right to work on this project. Job Site safety meetings will be held weekly. Attendance is mandatory by all trades working on site. Proper work clothes must be worn by all employees. This means everyone must wear a hard hat, long pants, a shirt, and safety shoes.

17. Subcontractor is responsible for complying with California's Hazard Communication Regulations and must provide Contractor with MATERIAL SAFETY DATA SHEETS on all hazardous substances used by Subcontractor's operations, within 5 days of award of Subcontract. Subcontractor is responsible for complying with the Hazardous Material Federal Regulations 29CFR 1910.120.

18. Contractor will provide lighting as required to maintain safety standards. Electrical outlets will be provided by Contractor to within 100 feet of each building. Subcontractor will be responsible for additional task lighting and power as required to perform Subcontractor's own work.

19. Subcontractor shall not use Contractor's telephones at the job site.

20. Cost Proposals shall be returned to Contractor's job site office within five days (or soon if requested) of receipt of request. Subcontractor is advised to familiarize himself with all requirements regarding changes or claims as described in the Contract Documents.

21. No claim for additional work by Subcontractor shall be recognized by Contractor without written approval or direction by Contractor prior to commencement of such work. Subcontractor must submit a written claim to Contractor within five days after the event-giving rise to Subcontractor's claim.

22. This Project is certified as a "DRUG-FREE WORKPLACE". Neither Subcontractor nor his employees, while performing services at this Project shall be in any way impaired by the use of alcohol or drugs. Subcontractor/employees shall not possess an open container of alcohol, consume alcohol, or be under the influence of any illegal drug, shall not sell, offer, or provide alcohol or drugs to any other person. Any employee's failure to abide by this provision shall be considered reasonable cause to suspend employee's right to work on this Project.

23. Testing and Inspections – Normal testing/inspection of Subcontractor's work shall be provided by Owner as described in Section 01410. Any retesting/re-inspection of Subcontractor's work shall be at Subcontractor's expense. All testing of equipment/material as required in individual Specification Sections shall be by Subcontractor/Subcontractor's supplier.

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24. Accident Reports – Subcontractor shall provide Contractor with a copy of the accident report within 48 hours of accident for any accident.
25. Liquidated Damages – Time is of the essence for both the Contract with Owner and this Subcontract Agreement. Subcontractor is hereby informed that liquidated damages for this Project are \$200.00 per calendar day. Subcontractor shall be responsible for a proportional amount of any and all liquidated damages incurred by Contractor due to delays in work caused by Subcontractor. Subcontractor's attention is directed to the phasing requirements and associated liquidated damages as described in Section 5.8.2 of the General Conditions.
26. One copy of the contract drawings, contract specifications, and addenda will be provided to Subcontractor upon request. Should additional copies be required, Subcontractor shall coordinate with Contractor for the production of such copies. The expense for additional copies shall be the responsibility of Subcontractor.
27. Subcontractor's attention is called to the Equal Opportunity Clause, the Affirmative Action Compliance Clauses, the Small Business Program Representations Clauses, and the Affirmative Action for Special Disabled and Vietnam Era Veteran's Clauses incorporated into the Project's Contract Documents. Subcontractor shall comply with all such requirements and shall provide documentation of compliance including, but not limited to, certification, monitoring, and auditing of Subcontractor's participation.
28. Cornerstone Building Group's refuse containers shall not be used by Subcontractor to dispose of materials from Subcontractor's activities. Subcontractor shall remove such refuse from job site in a timely manner, using only Subcontractor's own facilities for such refuse material. Subcontractor shall maintain premises in a broom clean, safe, and orderly condition on a daily basis or more frequently as required. If Subcontractor fails to perform clean up functions as required, Contractor may then proceed to perform this function in a manner deemed most expedient. In each such event, the cost of clean up or \$100.00, whichever is greater, shall be charged to Subcontractor and deducted from payments due under this Agreement. If a dispute arises between Subcontractors as to responsibility for clean up, Contractor shall allocate costs, as it deems fair. Contractor may invoke the foregoing procedure without notice to Subcontractor when deemed by Contractor to be necessary to maintain job site in a safe condition or to maintain progress of the work.
29. Contractors are required by Law to be licensed and regulated by the Contractors' State License Board, which has jurisdiction to investigate complaints against Contractors if a complaint is filed within three years of the date of the alleged violation. Any question concerning a Contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, CA 95826.
30. The Project Management Team and applicable location information is as follows:

Project Manager – Raphael Miller (858) 444-6880
Project Superintendent – Darren Sims (858) 437 - 2785
Office Phone – (619) 296 - 5784
Office Fax - (619) 296-6508

Subcontractor's Initials RD

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ALL MAIL, SUBMITTALS, ETC., ARE TO BE SENT TO OUR POST OFFICE BOX AS FOLLOWS:

Cornerstone Building Group - Job No. 614
3590 Kettner Boulevard
San Diego, CA 92101

DELIVERY/HOME OFFICE ADDRESS: Cornerstone Building Group - Job No. 614
3590 Kettner Blvd
San Diego, CA 92101

SUBCONTRACTOR:

BAKER ELECTRIC

Ken Depp Group Manager
SIGNATURE/TITLE

July 27, 2007
DATE

95-1853701
FEDERAL TAX ID NO./SOC. SECURITY NO.

CONTRACTOR:

CORNERSTONE BUILDING GROUP

Richard Osgood
RICHARD OSGOOD, CEO

8/6/07
DATE

Subcontractor's Initials *JD*

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Building Renovation B-62502
MCB Camp Pendleton
CORNERSTONE BUILDING GROUP PROJECT NO. 614

ATTACHMENT "B" TO SUBCONTRACT AGREEMENT NO. 614-16100S

SUBCONTRACTOR: BAKER ELECTRIC

The following terms and conditions are hereby made part of this Contract:

The subcontractor is responsible for providing the necessary labor, material, and equipment as specified in this attachment, as well as the RFP and contract documents attached to this subcontract.

ELECTRICAL:

1. Provide and install 4ft., pendant and surface mounted fluorescent light fixtures with T-8 bulbs, diffusers and energy saving ballast.
2. Provide and install emergency lighting in the refrigerator area. Light fixtures to be controlled by single pole single throw switches.
3. Provide and install electrical duplex receptacles and circuits.
4. The branch circuits shall consist of EMT & flexible conduit, copper wire, junction boxes, fittings and hardware required to complete the installation.
5. Provide and install emergency and LED Exit lights. *BA*
- ~~6. Provide and install Reindex power panel.~~ *Re-index existing power panel. JD*
7. Provide Beach 400 watt HPS exterior floodlights mounted on the exterior of the building to illuminate the compound. Provide branch circuits for the floodlight fixtures. Demo- Back up power unit & the equipment electrical supply unit.
8. Provide 2 dedicated 20 amp branch circuits to the telecommunication rack & backboard.
- ~~9. Trouble shoot all electrical in B-62502.~~ *JD BA*

TELECOMMUNICATIONS:

10. The project consists of placement of work area outlets throughout the interior space. Each work outlet will consist of one data and one voice horizontal cable. To include procurement, placement, termination, and testing of 50 pair 24 AWG cable through the manhole system from 1st street and San Mateo Rd. to the telecommunications room. Extend the fiber optic cable from the boiler room, bldg#62502 to the telecommunications room.
11. *Telecommunications Rooms (TR's)*. All gray cables used for telephone will be terminated on 100 pair 110-blocks on the backboard in each room. All blue cables used for data will be terminated on a 24-port patch panel. If additional backboard space is needed the backboard shall be measured at 1.2m X 2.4m (4 ft X 8ft) fire rated plywood, or 1.2. X 2.4m (4 ft X 8 ft) sheet of AC rated plywood and covered with two coats of fire retardant paint on all six sides. If additional

Subcontractor's Initials *JD*

Ex 2

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1

BA

cable tray is required, the cable tray will be securely fastened to the wall and racks, and be properly grounded and bonded. All 8P8C connections shall be terminated using the T568A standard. A horizontal cable management will be placed on top and below the 24-port patch panel. Vertical cable management will be mounted on both sides of the rack.

12. **Pathways, Raceway and Associated Equipment.** The cables shall be installed using the open distribution method. J-hooks are an acceptable pathway to distribute cables to work areas. If penetrations through walls are needed, all penetrations will be four inch size, and sleeves will be used. Fire stopping materials will be required when the sleeves penetrate walls. J-hooks shall be spaced at distance not less than five feet.
13. **Horizontal Cables.** One gray and one blue jacketed Category 5e, 4-pair, 24 AWG, unshielded, CMR rated, cable, will be installed to each work area outlet in the modular furniture. This cable meets or exceeds the ANSI/TIA/EIA-568-A requirements. The Category 5e cable will be run at a distance no longer than 90m (295 ft) from the telecommunications room to the work area outlet and no less than 15m (49 ft). A ten (10) foot service loop is required on all telephone cabling and will be placed in the cable tray or in J-hooks above the hanging ceiling in the TR. Three feet of service loop will be placed in the work area, and 12-inches in the work area outlet box.
14. **Faceplates and Modular Jacks.** Faceplates will be provided in two port sizes and placed in the modular furniture. The two port faceplates will be equipped with two (2) Category 5e T568A pin-out, 8P8C modular jacks one blue and one gray. The faceplates will be ivory in color. Each faceplate will have a gray jack in position one, a blue jack in position two. 12-inches of category 5e cable will remain in the sleeve and placed inside the pathway inside the modular furniture, and no more than 1/2 inch of the eight-conductor 24AWG wire will be outside the cable sleeve.
15. **Testing.** Each horizontal cable will be tested for compliance with ANSUTIA/EIA-568-B.1 requirements using a level III Cable tester. The test will be conducted on the basic link configuration. Test results will be provided to the Telecommunications Project Manager for the project. 2 paper copies and one electronic copy of test results will be provided to the telecommunications project manager.
16. **Labeling.** All work areas will be labeled in a clear and readable manner. Computer generated label or thermal transfer are the only approved methods for labeling. The label will be black print on white background. Every cable will be labeled at both work area outlet and the Telecommunications Room. Labeling scheme will be provided once the project starts.
17. **Installation Methodology.**
All work will be completed to conform to the
 - Manufacturer's specifications
 - National Electronics Code dated 2005
 - Latest edition of the National Electronic Safety Code
 - ANSI/TIA.EIA-568-B
 - ANSI/TIA.EIA-569-A
 - ANSUTIA.EIA-606-A
 - All local codes and ordinances

Note: Where a conflict exists, The Operations Department of Communications and Information Systems will provide guidance.
18. Subcontractor shall provide all labor, materials, and equipment as necessary or incidental for the installation of all electrical work as shown and/or described in the Contract Documents and as more particularly, though not exclusively, in the Work Order 9964794, Building Renovation 62502.

Subcontractor's Initials JD

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19. Subcontractor shall provide temp power including distribution boxes to job site buildings and structures from a temp power source as provided by Contractor.
20. Subcontractor shall be responsible for all safe-off, disconnection and removal of electrical equipment and utilities for all structures and equipment.
21. Subcontractor shall provide and install all straps, supports, hangers, Unistrut, restraints, or seismic bracing as necessary for Subcontractor's own installations. ~~This includes light fixture hanger wires.~~ *JO SA*
22. Subcontractor shall provide and install all brackets, bolts, cable trays, helix cables, fastenings, and/or pipe straps as required.
23. Subcontractor shall provide and install all anchoring/supporting devices as required in the Contract Documents.
- ~~24. Subcontractor shall be responsible for cutting/patching of finished surfaces as necessary to complete Subcontractor's installations.~~ *JO SA*
25. Subcontractor shall provide and install all fire-stopping sealant where electrical installations penetrate walls, floors, and ceilings to retain the integrity of those structures. Subcontractor shall also provide all fire rated blankets and enclosures for their own work where required.
- ~~26. Subcontractor shall provide all power wiring, conduits, and connections for all control systems in accordance with the Contract Documents, regardless of voltage.~~ *JO SA*
- ~~27. Subcontractor shall be responsible for coordination and final connections to primary and secondary power sources. Any electrical outages must be scheduled 10 days in advance and approved with the Contractor and Owner. In some cases, Subcontractor must provide a temporary power source such as a generator in order to allow continuous service to the Owner while the Subcontractor performs their scope of work. Should any delays or damages be incurred through lack of notice, coordination, negligence, or inadequate planning, etc. those delays and or damages shall be the sole responsibility of the Subcontractor.~~ *JO SA*
(Not Applicable)
28. EXCLUSIONS:
Bonds

SUBCONTRACTOR:

BAKER ELECTRIC

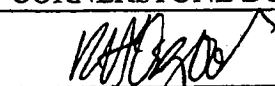

SIGNATURE/TITLE

DATE

July 27, 2007

CONTRACTOR:

CORNERSTONE BUILDING GROUP


RICHARD OSGOOD, CEO

DATE

8/6/07

Subcontractor's Initials

JO

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Bond Number: SDC00005
Premium: Included

PAYMENT BOND (See instructions on reverse)		DATE BOND EXECUTED (Must be same or later than date of contract) August 15, 2007		OMB No.: 9000-0045
Public reporting burden for this collection of information is estimate to average 28 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the FAR Secretariat (MVR), Federal Acquisition Policy Division, GSA, Washington, DC 20405				
PRINCIPAL (Legal name and business address)		TYPE OF ORGANIZATION ("X" one)		
Cornerstone Building Group 3590 Kettner Blvd. San Diego, CA 92101		<input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE <input checked="" type="checkbox"/> CORPORATION		
		STATE OF INCORPORATION California		
SURETY(IES) (Name(s) and business address(es))		PENAL SUM OF BOND		
Western Insurance Company P.O. Box 21030 Reno, NV 89515		MILLION(S) -----	THOUSAND(S) 207	HUNDRED(S) 000 CENTS 00
		CONTRACT DATE 8/7/07		
		CONTRACT NO. N62473-07-D-6308-0006		

OBLIGATION:

We, the Principal and Surety(ies), are firmly bound to the United States of America (hereinafter called the Government) in the above penal sum. For payment of the penal sum, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally. However, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us. For all other purposes, each Surety binds itself, jointly and severally with the Principal, for the payment of the sum shown opposite the name of the Surety. If no limit of liability is indicated, the limit of liability is the full amount of the penal sum.

CONDITIONS:

The above obligation is void if the Principal promptly makes payment to all persons having a direct relationship with the Principal or a subcontractor of the Principal for furnishing labor, material or both in the prosecution of the work provided for in the contract identified above, and any authorized modifications of the contract that subsequently are made. Notice of those modifications to the Surety(ies) are waived.

WITNESS:

The Principal and Surety(ies) executed this payment bond and affixed their seals on the above date.

Cornerstone Building Group		PRINCIPAL	
SIGNATURE(S)	1. _____ (Seal)	2. _____ (Seal)	3. _____ (Seal)
NAME(S) & TITLE(S) (Typed)	1. _____	2. _____	3. _____
INDIVIDUAL SURETY(IES)			
SIGNATURE(S)	1. _____ (Seal)	2. _____ (Seal)	
NAME(S) (Typed)	1. _____	2. _____	
Western Insurance Company		CORPORATE SURETY(IES)	
NAME & ADDRESS	P.O. Box 21030 Reno, Ca 89515	STATE OF INC.	LIABILITY LIMIT
		Nevada	\$ 1,302,000
SIGNATURE(S)	1. _____	2. _____	Corporate Seal
NAME(S) & TITLE(S) (Typed)	1. Audrey Rodriguez, Attorney-In-fact	2. _____	

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STANDARD FORM 28A (REV. 10-88)
Prescribed by GSA-FAR (48 CFR) 53.2228(c)

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CORPORATE SURETY(IES) (Continued)

		NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT	
SURETY B	SIGNATURE(S)	1.	2.		Corporate Seal
	NAME(S) & TITLE(S) (Typed)	1.	2.		
	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT	
SURETY C	SIGNATURE(S)	1.	2.		Corporate Seal
	NAME(S) & TITLE(S) (Typed)	1.	2.		
	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT	
SURETY D	SIGNATURE(S)	1.	2.		Corporate Seal
	NAME(S) & TITLE(S) (Typed)	1.	2.		
	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT	
SURETY E	SIGNATURE(S)	1.	2.		Corporate Seal
	NAME(S) & TITLE(S) (Typed)	1.	2.		
	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT	
SURETY F	SIGNATURE(S)	1.	2.		Corporate Seal
	NAME(S) & TITLE(S) (Typed)	1.	2.		
	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT	
SURETY G	SIGNATURE(S)	1.	2.		Corporate Seal
	NAME(S) & TITLE(S) (Typed)	1.	2.		
	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT	

INSTRUCTIONS

1. This form, for the protection of persons supplying labor and material, is used when a payment bond is required under the Act of August 24, 1935, 49 Stat. 793 (40 U.S.C. 270a-270e). Any deviation from this form will require the written approval of the Administrator of General Services.

2. Insert the full legal name and business address of the Principal in the space designated "Principal" on the face of the form. An authorized person shall sign the bond. Any person signing in a representative capacity (e.g., an attorney-in-fact) must furnish evidence of authority if that representative is not a member of the firm, partnership, or joint venture, or an officer of the corporation involved.

3. (a) Corporations executing the bond as sureties must appear on the Department of the Treasury's list of approved sureties and must act within the limitation listed therein. Where more than one corporate surety is involved, their names and addresses shall appear in the spaces (Surety A, Surety B, etc.) headed "CORPORATE SURETY(IES)." In the space

designated "SURETY(IES)" on the face of the form, insert only the letter identification of the sureties.

(b) Where individual sureties are involved, a completed Affidavit of Individual Surety (Standard Form 28) for each individual surety, shall accompany the bond. The Government may require the surety to furnish additional substantiating information concerning their financial capability.

4. Corporations executing the bond shall affix their corporate seals. Individuals shall execute the bond opposite the word "Corporate Seal", and shall affix an adhesive seal if executed in Maine, New Hampshire, or any other jurisdiction requiring adhesive seals.

5. Type the name and title of each person signing this bond in the space provided.



SUBCONTRACT NO. 620-16100S

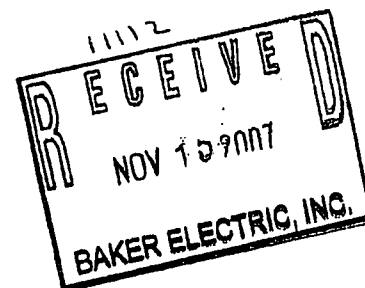
SUBCONTRACT

(Long Form Subcontract between General Contractor & Subcontractor)

This Subcontract is entered into on August 23, 2007 at San Diego California by and between Cornerstone Building Group ("Contractor"), with its principal office at 3590 Kettner Blvd San Diego California 92101 and Baker Electric ("Subcontractor") with its principal office at 1298 Pacific Oaks Place, Escondido, California, 92029.

Contractor has entered into a contract with the following Owner:

NAVFAC Southwest
Camp Pendleton ROICC/CODE ROPCN
Marine Corps Base Camp Pendleton
PO BOX 555229 Bldg 22101
Camp Pendleton, CA 92055-5229



To perform certain construction work identified as:

8A JOC, Hydrogen Fuel Station
NAVFAC SOUTHWEST, CAMP PENDLETON ROICC
MCB, CAMP PENDLETON
N62473-07-D-6308-0006

RECEIVED
NOV 06 2007
CORNERSTONE B G

This Subcontract has important legal and insurance consequences. Consultation with an attorney and insurance consultant is encouraged with respect to its completion or modification.

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SUBCONTRACT

TABLE OF ARTICLES

SUBCONTRACT PRICE
SUBCONTRACT DOCUMENTS
SCOPE OF SUBCONTRACT WORK
SURETY BONDING
PERFORMANCE OF WORK
SUBCONTRACT INTERPRETATION
CONTRACTOR'S OBLIGATIONS
SUBCONTRACTOR'S OBLIGATIONS
LABOR RELATIONS
INSURANCE
INDEMNIFICATION
CHANGES
DELAYS
CLAIMS
DISPUTES RESOLUTION
PAYMENT
RECOURSE BY CONTRACTOR
TERMINATION
SUSPENSION OF WORK
ASSIGNMENT OF SUBCONTRACT

The titles given to the Articles and paragraphs of this Subcontract are for ease of reference only and shall not be relied upon or cited for any other purpose.

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ARTICLE 1 SUBCONTRACT PRICE

1.1 As full compensation for satisfactory performance of the Subcontract, Contractor agrees to pay Subcontractor in the manner described below, subject to all provisions of the Subcontract:

- (a) the firm fixed-price of Fifty One Thousand Dollars (\$51,000.00) subject to additions and deductions as provided for in the Subcontract; and/or
- (b) unit prices in accordance with the attached Unit Prices and estimated quantities; and/or
- (c) time and material rates and prices in accordance with the attached Labor and Material Costs; and/or
- (d) other, as identified in an attachment.

The firm fixed-price, unit prices, time and material rates and prices and/or other identified manner of payment are referred to as the "Subcontract Price."

ARTICLE 2 SUBCONTRACT DOCUMENTS

2.1 The Subcontract Documents, in order of precedence, consist of the following:

2.1.1 The executed Subcontract between Contractor and Subcontractor, including Attachment Nos. A and B, which are incorporated at this point as if fully set forth.

2.1.2 The Contract, consisting of the entire and integrated Agreement between Owner and Contractor, as more particularly though not exclusively specified in the General, Special, Supplementary and other Conditions, Drawings, Specifications, Addenda, reference standards or provisions of any nature.

2.2 Subcontractor certifies and agrees that it is fully familiar with all of the terms, conditions and obligations of the Subcontract Documents, the location of the job site, and the conditions under which the work is to be performed, and that it enters into this Subcontract based upon its investigation of all such matters and is in no way relying upon any opinions or representations of Contractor. It is further agreed that the Contract is incorporated into this Subcontract with the same force and effect as if it was set forth in full, and that Subcontractor and its subcontractors are bound by all terms of the Contract as they relate in any way, directly or indirectly, to the work covered by this Subcontract. Subcontractor agrees to be bound to Contractor in the same manner and to the same extent as Contractor is bound to Owner under the Contract. The Contract is defined above and includes but is not limited to the following documents:

- Attached Task Order Proposed Work Plan

2.3 Upon written request by Subcontractor, Contractor shall provide to Subcontractor at Subcontractor's expense, one copy of all portions of the Contract in the Contractor's possession. However, neither this article nor any other shall obligate Contractor to obtain for Subcontractor copies of any portion of the Contract not in the possession of Contractor, and Subcontractor shall not be excused from performance of its work because it does not have such documents. Upon written request by its subcontractors and suppliers, Subcontractor similarly shall make one copy of applicable portions of the Subcontract Documents available

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to its subcontractors and suppliers. Nothing shall prohibit Subcontractor from obtaining a copy of the executed Contract from Contractor at any time after the Subcontract is executed.

2.4 Nothing in the Subcontract shall be construed to create a contractual relationship between persons or entities other than Contractor and Subcontractor.

ARTICLE 3 SCOPE OF SUBCONTRACT WORK

3.1 Independent Contractor – Subcontractor shall provide all labor, materials, equipment and services necessary or incidental to perform its work as an “independent contractor,” in accordance with the Subcontract Documents.

3.2 Subcontract Work – Subcontractor shall perform the following scope of work:

(See Attachment B)

3.3 Temporary Services – Contractor will provide to Subcontractor the following temporary services at the project site during the performance of this Subcontract at no charge to Subcontractor:

NONE

Subcontractor will provide, at its own expense, all other necessary temporary services for the completion of its work.

ARTICLE 4 SURETY BONDING

4.1 Copy of Contractor Bonds – Subcontractor is entitled to receive from Contractor, upon written request, copies of any payment and performance bonds furnished by Contractor for the project.

4.2 Subcontractor Bonds – Subcontractor surety bond requirements, if any, are as follows:

Subcontractor Performance and Payment Bond

☐ Required ☒ Not Required

4.2.1 If a performance or payment bond, or both, are required of Subcontractor, such bonds shall name Contractor as obligee, be in the full amount of the Subcontract Price, and shall be in a form and by a surety acceptable to Contractor. The premiums for such bonds are not included in the Subcontract Price, the cost shall be added as a change order to the contract documents upon final determination.

4.2.2 In the event Subcontractor shall fail to provide any required bonds within 10 days of Contractor's written notification to do so, Contractor may terminate this Subcontract for cause. All costs and expenses incurred by Contractor as a result of such a termination shall be paid by Subcontractor in accordance with the termination for cause article of the Subcontract.

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4.2.3 No change, directive, clarification or communication regarding this Subcontract, whether made in the manner specified in the Subcontract or not, shall release or exonerate, in whole or in part, any surety on any bond given in connection with this Subcontract and neither Owner nor Contractor shall be under any obligation to notify the surety or sureties of any change, directive, clarification or communication with Subcontractor.

ARTICLE 5 PERFORMANCE OF WORK

5.1 Schedule of Work – Subcontractor may provide Contractor with scheduling information it proposes for its work. If the information is provided 5 days before Contractor is required to submit the schedule to Owner or to proceed with the work, Contractor will consult with Subcontractor regarding such information and, if possible, incorporate the same into the schedule to Owner.

5.1.1 Contractor shall prepare the schedule for performance of the Contract and Subcontract ("progress schedule") and may revise and update the progress schedule as the work progresses. It shall be Subcontractor's obligation to conform to the progress schedule, as updated by Contractor. Subcontractor understands that all field work must be completed within 6 weeks. All work must be completed no later than September 12, 2007. Subcontractor will provide adequate manpower, materials & equipment to meet this schedule. Subcontractor shall prepare and obtain approval as required by the Contract for all shop drawings, details, samples; shall perform any required Subcontractor testing; and do all other things necessary and incidental to the prosecution of the Subcontract in order to comply with the progress schedule. Subcontractor shall coordinate the work covered by this Subcontract with Contractor and all other subcontractors with whom Subcontractor must interface for the proper and timely completion of Subcontractor's work. Contractor shall have the right to decide the time and order in which the various portions of the work shall be installed, the priority of the work of other subcontractors, and, in general, all matters representing the timely and orderly performance of the work of Subcontractor on the project.

5.1.2 Contractor shall have the right to determine and, if necessary, change the time, order and priority in which the various portions of the work shall be performed and all other matters relative to the timely and orderly performance of Subcontractor's work. Subcontractor shall be reasonably notified of all subsequent changes and additional details to the progress schedule. Both Contractor and Subcontractor shall be bound by the updated progress schedule.

5.2 Subcontract Performance – Subcontractor shall use its best care, skill and diligence in supervising, directing and performing its work. Subcontractor shall have responsibility and control over the performance of its work, including the construction methods, techniques, means and sequences for coordinating and completing the various portions of its work.

5.3 Use of Contractor's Equipment – Subcontractor, its agents, employees, subcontractors or suppliers shall use Contractor's equipment only with the express written permission of Contractor's designated representative and in accordance with Contractor's terms and conditions for such use.

5.4 Time is of The Essence – Time is of the essence for both parties, and they mutually agree to ensure the performance of their respective work and the work of their subcontractors and suppliers so that the entire project may be completed in accordance with the Contract and the updated progress schedule.

ARTICLE 6

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SUBCONTRACT INTERPRETATION

6.1 Inconsistencies and Omissions – Should inconsistencies or omissions appear in the Contract, it shall be the duty of Subcontractor to so notify Contractor in writing within three (3) working days of Subcontractor's discovery. Upon receipt of such notice, Contractor shall inform Subcontractor as to the measures to be taken and Subcontractor shall comply with Contractor's instructions. If Subcontractor performs work knowing it to be contrary to any applicable laws, statutes, ordinances, building codes, rules or regulations without notice to Contractor and advance approval by appropriate authorities, including Contractor, then Subcontractor shall assume full responsibility for such work and shall bear all associated costs, charges, fees and expenses necessarily incurred to remedy the violation(s).

6.2 Disputes Over Responsibility For Performance – Subcontractor agrees that in the event a dispute should occur between Subcontractor and another subcontractor or Contractor as to who has the responsibility to perform a particular item of work or repair damage to any particular item of work, the determination of who shall perform the work shall be made by Contractor.

6.3 Law and Effect – The Subcontract shall be governed by the law of the State in which the project is located.

6.4 Severability and Waiver – The partial or complete invalidity of any one or more provisions of this Subcontract shall not affect the validity or continuing force and effect of any other provision. The failure of either party to insist, in any one or more instances, upon the performance of any of the terms, covenants or conditions of the Subcontract, or to exercise any right provided to it, shall not be construed as a waiver or relinquishment of such term, covenant, condition or right with respect to further performance.

6.5 Recoverable Fees and Costs – Should either party institute suit or demand arbitration to enforce any of the provisions of the Subcontract, to protect its interests in any manner arising under the Subcontract, or to recover on a surety bond furnished by a party to the Subcontract, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs, charges, and expenses (including expert fees and testing) expended or incurred.

6.6 Titles – The titles given to the Articles and paragraphs of the Subcontract, and the order of their placement, are for ease of reference only and shall not be relied upon or cited for any other purpose.

6.7 Entire Agreement – The Subcontract is solely for the benefit of the signatories and represents the entire and integrated agreement between the parties and, unless specifically stated otherwise, supersedes all prior negotiations, representations or agreements, either written or oral.

6.8 Waiver of Any Breach – Waiver of any breach, alleged breach, provision, covenant or condition of the Subcontract by Contractor shall not be construed as a waiver of the same or any other provision of the Subcontract on any other occasion, nor shall such waiver serve as an estoppel of any other right Contractor may have. Should any provision in the Subcontract, or its attachments, be held or declared void or invalid, all other provisions shall remain in full force and effect.

ARTICLE 7 CONTRACTOR'S OBLIGATIONS

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7.1 Authorized Representative – Contractor shall designate one or more persons who shall be Contractor's authorized representative(s) on-site and off-site. Such authorized representative(s) shall be the only person(s) Subcontractor shall look to for instructions, orders and/or directions, except in an emergency.

7.2 Lay Down Areas – If available, Contractor shall allocate to Subcontractor area(s) for Subcontractor's material and equipment during performance of the Subcontract.

7.3 Timely Communications – Contractor shall, with reasonable promptness, transmit to the appropriate parties all submittals, transmittals and written approvals relating to Subcontractor's work. Communications by and with Subcontractor's subcontractors and suppliers shall be through Subcontractor.

7.4 Backcharges For Services Rendered or Materials Furnished – Contractor agrees that backcharges for services rendered or materials furnished to Subcontractor shall not be valid unless Contractor gives Subcontractor written notice prior to the furnishing of the services and/or materials, except in an emergency affecting the safety of persons or property.

7.4.1 If requested in writing by Subcontractor, Contractor shall provide written compilations of the charges relating to such services or materials by the last day of the month following that in which the services are rendered or materials are furnished.

7.5 Layout Responsibility and Levels – Contractor shall establish principal axis lines and elevations of the structures and site. Subcontractor shall layout and be strictly responsible for the accuracy of Subcontractor's work and for any loss or damage to Contractor or others by reason of Subcontractor's failure to set out or perform its work correctly. Subcontractor shall exercise prudence so that the actual final conditions and details of its work shall result in alignment of finish surfaces.

7.6 Owner Ability to Pay – Subcontractor shall have the right to review with Contractor all information that Contractor has obtained relative to Owner's financial ability to pay for the Contract work.

ARTICLE 8 SUBCONTRACTOR'S OBLIGATIONS

8.1 Responsibilities – Subcontractor shall furnish all labor, materials, equipment and services necessary or incidental to perform its work in accordance with the Subcontract Documents. If requested by Contractor, Subcontractor shall provide to Contractor a list of its proposed subcontractors and suppliers.

8.2 Compliance with Laws, Rules, Ordinances and Regulations – Subcontractor shall, at its sole cost and expense, and without increase in the Subcontract Price, comply with all laws, rules, ordinances and regulations of all governing bodies having jurisdiction over the work, pay all manufacturers' taxes, sales taxes, use taxes, and all federal and state taxes, insurance and contribution for Social Security and unemployment which are measured by wages, salaries or other remunerations paid to Subcontractor's employees, whether levied under existing or subsequently enacted laws, rules or regulations.

8.2.1 Subcontractor shall give adequate notices to all required parties pertaining to Subcontractor's work and secure and pay for all permits, fees, licenses, assessments, and inspections necessary to complete its work in accordance with the Subcontract Documents.

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8.2.2 Subcontractor shall be compensated for additional costs resulting from laws, ordinances, rules, regulations and taxes enacted after the date of the Contract only to the extent such additional costs are paid to Contractor by Owner.

8.3 Site Visitation – Subcontractor acknowledges that it has visited the project site and visually inspected the general and local conditions which could affect its work. Any failure of Subcontractor to reasonably ascertain, from a visual inspection of the site, the general and local conditions which could affect its work will not relieve Subcontractor from its responsibility to properly complete its work without change in the Subcontract Price.

8.4 Shop Drawings, Samples, Product Data and Manufacturers' Literature – Subcontractor shall promptly submit to Contractor for approval all shop drawings, samples, product data, manufacturers' literature and similar submittals required by the Contract. Subcontractor shall be responsible to Contractor for the accuracy and conformity of its submittals to the Contract requirements. Subcontractor shall prepare and deliver its submittals to Contractor in a manner consistent with the progress schedule and in such time and sequence so as not to delay Contractor or others in the performance of the Contract work. The approval of any Subcontractor submittal shall not be deemed to authorize deviations, substitutions or changes in the requirements of the Subcontract Documents unless express written approval is obtained from Contractor and Owner authorizing such deviation, substitution or change. In the event the Contract does not contain submittal requirements pertaining to Subcontractor's work, Subcontractor agrees upon request to submit to Contractor in a timely fashion for approval any shop drawings, samples, product data, manufacturers' literature or similar submittals as may reasonably be required.

8.4.1 Contractor, Owner and Architect are entitled to rely on the accuracy and completeness of any professional certifications required by the Subcontract Documents concerning the performance criteria of systems, equipment or materials, including all calculations and any governing performance requirements.

8.5 Coordination and Cooperation – Subcontractor shall:

- (a) cooperate with Contractor and all others whose work may interface with Subcontractor's work;
- (b) specifically note and immediately notify Contractor of any interference with Subcontractor's work; and
- (c) participate in the preparation of coordination drawings and work schedules involving Subcontractor's work.

8.6 Authorized Representative – Subcontractor shall designate in writing one or more competent contractor-approved persons who shall be the authorized Subcontractor representative(s) on-site and off-site. Such authorized representative(s) shall be the only person(s) to whom Contractor shall issue instructions, orders or directions, except in an emergency.

8.7 Communications – Subcontractor communications by and with Owner, Architect, separate contractors and/or other subcontractors and suppliers of Contractor, regardless of tier, shall be through Contractor.

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8.8 Tests, Inspections and Approvals – Subcontractor shall coordinate and notify Contractor of all required tests, inspections and approvals of Subcontractor's work so as not to delay the performance of the work. Subcontractor shall schedule and provide proper written notice to all required parties of such tests, inspections and approvals.

8.9 Workmanship – Every part of Subcontractor's work shall be executed in accordance with the Subcontract Documents in a workmanlike manner. All materials needed by Subcontractor shall be furnished in sufficient quantities to facilitate the proper and expeditious execution of the work, and shall be new except such materials as may be expressly provided in the Subcontract Documents to be otherwise.

8.10 Materials or Equipment Furnished by Others – In the event the scope of Subcontractor's work includes installation of materials or equipment furnished by others, it shall be the responsibility of Subcontractor to inventory, examine, store and install the items, with such skill and care as to ensure a satisfactory and proper installation. Subcontractor shall promptly notify Contractor in writing of any defective materials or equipment.

8.11 Substitutions – No substitutions shall be made by Subcontractor unless permitted in the Subcontract Documents and only then upon Subcontractor first receiving all approvals required under the Subcontract Documents for substitutions. If Subcontractor initiates a substitution, deviation or change in the work which affects the scope of the work or the expense of other trades, Subcontractor shall be liable for all resulting expenses.

8.12 Warranty – Subcontractor warrants all materials and workmanship and agrees to replace at its sole cost and expense, and to the satisfaction of Contractor, any materials that are defective or improperly installed, and indemnifies Contractor from and against any liability, loss or damage arising from or relating to such materials and installation through the period of Subcontractor's performance and for a period of one year from completion of the Contract. If the period of warranty is specified in excess of one year by the Contract, Subcontractor shall be bound for the longer period specified.

8.13 Uncovering of Work – If required in writing by Contractor, Subcontractor must uncover any portion of its work which has been covered. All costs associated with the uncovering and related work shall be borne as follows:

- (a) If the work was covered in violation of the Subcontract Documents or contrary to a written directive issued to Subcontractor by Contractor, the uncovering, any corrective work and restoration shall be at Subcontractor's expense.
- (b) If the work was not covered in violation of the Subcontract Documents or contrary to a written directive issued to Subcontractor by Contractor, the Subcontract shall be adjusted by change order for all costs of uncovering and restoring any work which proves to be installed in accordance with the Subcontract Documents.
- (c) If any uncovered work does not comply with the Subcontract Documents and Subcontractor is responsible for the nonconforming condition, Subcontractor shall be responsible for all costs of uncovering, correcting and restoring the work so as to make it conform to the Subcontract Documents.

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8.14 Correction of Work – Subcontractor is required to correct in a timely fashion any of its work rejected by Contractor or Owner for failing to comply with the Subcontract Documents whether observed prior to the commencement of the warranty period(s) or during the warranty period(s). Subcontractor shall correct at its own cost and bear the expense of additional services for any nonconforming work for which it is responsible, and shall remain responsible even after the warranty period for fraud, misrepresentation or latent defects.

8.15 Cleanup – Subcontractor shall follow Contractor's cleanup directions, and:

- (a) at all times keep the building and premises free from debris resulting from Subcontractor's work;
- (b) broom or rake clean each work area prior to discontinuing work in each area; and
- (c) Subcontractor's work shall not be considered complete until Subcontractor removes from the site all temporary structures, debris and waste incident to its operation and cleans all surfaces, fixtures, equipment, etc., relative to the performance of its work.

If Subcontractor fails to immediately commence compliance with the above cleanup duties after written notification from Contractor of noncompliance, Contractor may implement appropriate cleanup measures without further notice and deduct the resulting costs from any amounts due or to become due Subcontractor under the Subcontract.

8.16 Safety – Subcontractor is responsible for prevention of accidents arising from or relating to its work. Subcontractor shall comply fully with all federal, state and local laws, orders, citations, rules, regulations, standards and statutes affecting or relating to the Subcontract or its performance. Subcontractor shall comply with the accident prevention and safety program of Owner and Contractor. Establishment of a safety program by Contractor shall not relieve Subcontractor of its safety responsibilities. Subcontractor shall establish its own safety program implementing safety measures, policies and standards conforming to those required by governmental authorities having jurisdiction and by Contractor and Owner. Subcontractor shall notify Contractor immediately following an accident and promptly confirm the notice in writing. A detailed written report shall be furnished to Contractor. Subcontractor shall indemnify and hold Contractor harmless from all fines, penalties or costs of abatement imposed on Contractor as a result of safety violations caused by Subcontractor's failure to comply with applicable safety requirements. Subcontractor shall notify Contractor of any unsafe condition it discovers or observes and shall stop work until informed by Contractor that it may resume work.

8.16.1 Should Subcontractor encounter any hazardous substances at the site which are potentially harmful to persons or property, Subcontractor shall take all steps required by the Subcontract Documents and by law to protect persons and property from injury or damage, including stopping Subcontractor's work in the affected area(s) and promptly notifying Contractor in writing of the conditions encountered at the site. Should Subcontractor be required to stop work in any area of the project as a result of hazardous substances located at the site, Subcontractor shall not resume work in the affected area(s) until the hazardous substances have been removed or made harmless, all necessary approvals to resume work are obtained and Contractor gives Subcontractor written direction to resume work.

8.16.2 All safety sheets, plans, submittals or other such documents required by law or the Subcontract Documents pertaining to materials or substances used or consumed in the performance of Subcontractor's

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work shall be submitted to Contractor by Subcontractor. Any such safety sheets, plans or submittals obtained by Contractor from other subcontractors or sources shall be made available to Subcontractor by Contractor.

8.17 Delegation or Subcontracting of Duties – Subcontractor is prohibited from delegating, transferring, conveying, subcontracting, relinquishing or otherwise disposing of the whole or any part of its duties under this Subcontract without the prior written approval of Contractor, which shall not be unreasonably withheld. Lower-tier subcontractors approved by Contractor on or before the effective date of the Subcontract may be listed below:

Subcontractor shall incorporate all terms of this Subcontract in any subcontracts or purchase orders with its subcontractors and suppliers.

8.18 Duty to Proceed – In the event of any dispute or controversy with Contractor, another subcontractor or other third party involved with the project, Subcontractor shall not cause or permit any delay or cessation of its work or cause delay or disruption to the work of any other subcontractor or Contractor on the project, but shall proceed with performance of its work pending resolution of such dispute or controversy. Contractor shall continue to make payments in accordance with the Subcontract.

8.19 Force Account Work – When directed in writing by Contractor, Subcontractor shall perform such additional work as directed by Contractor and Contractor shall pay to Subcontractor the actual costs of such directed work plus Subcontractor's overhead and profit at a combined rate of 15% of such actual costs. This provision shall not apply to Owner directed force account work or disputed work.

8.20 Workers – Contractor may order the removal from the job of any workers Contractor reasonable finds disruptive, incompetent, in violation of safety requirements/programs or otherwise detrimental to the successful completion of the project.

8.21 Contractor Expending Money – Whenever any money is expended or costs or expenses are incurred by Contractor on behalf of or on account of Subcontractor, which amounts Subcontractor should have paid, and for which amounts Subcontractor is required to reimburse Contractor, or if Contractor continues or completes the work after default by Subcontractor, Subcontractor shall pay to Contractor interest at the rate of 10% per annum from the time said money is expended or said costs or expenses are incurred until those amounts are repaid to Contractor by Subcontractor. Nothing contained in this provision or Subcontract shall be construed as requiring Contractor to make any such expenditures, advance any such money, or incur any such expenses. In the event that the balance of the monies due pursuant to this Subcontract are insufficient to cover Contractor's damages or exposure, then Contractor shall have the right to offset against monies owed Subcontractor on other projects, if any.

8.22 Protection of the Work – Subcontractor shall secure and protect the work done pursuant to this Subcontract until final acceptance by Contractor and Owner.

ARTICLE 9 LABOR RELATIONS

9.1 General Provisions – Employment of labor by Subcontractor shall be effected under conditions which are satisfactory to Contractor. Subcontractor shall keep a representative at the job site during all times when

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Subcontractor's work is in progress, and such representative shall be authorized to represent Subcontractor as to all phases of the work. Prior to commencement of the work, Subcontractor shall notify Contractor in writing who Subcontractor's representative is to be, and in the event of any change of representative Subcontractor shall notify Contractor who the new representative is to be prior to such change becoming effective.

9.1.1 Subcontractor acknowledges that Contractor has entered into labor agreements covering work at its construction job sites with the following labor unions: N/A. If requested by Subcontractor, Contractor shall provide copies of all such labor agreements to Subcontractor. Subcontractor agrees to comply with all of the terms and conditions of those labor agreements set forth above. Subcontractor agrees, at its own expense, upon request of Contractor, to take all lawful steps to secure a binding and final determination of any jurisdictional dispute by the National Labor Relations Board.

9.1.2 Subcontractor will require all of its subcontractors and their subcontractors performing job site work to comply with the labor agreements specified above, and labor agreements which are binding upon them.

9.1.3 Subcontractor will indemnify and hold Contractor harmless from and against any liability, loss, damage, cost, claims, awards, judgments, fines, expenses, including litigation expenses, reasonable attorneys' fees and any other costs which may be incurred by Contractor resulting from Subcontractor's failure to comply with the above requirements.

9.2 Reserved Gate Usage – Subcontractor shall notify in writing and assign its employees, materialmen and suppliers to such gates or entrances as may be established for their use by Contractor and in accordance with such conditions and at such times as may be imposed by Contractor. Strict compliance with Contractor's gate usage procedures shall be required by Subcontractor who shall be responsible for such gate usage by its employees, materialmen, suppliers, subcontractors, and their materialmen and suppliers.

9.3 Staggered Days and Hours of Work and for Deliveries – Subcontractor shall schedule the work and the presence of its employees at the job site and any deliveries of supplies or materials by its materialmen and suppliers to the job site on such days, and such times and during such hours, as may be directed by Contractor. Subcontractor shall assume responsibility for such schedule compliance not only for its employees but for all its materialmen, suppliers and subcontractors, and their materialmen and suppliers.

9.4 Work Stoppages – Work stoppages (including sympathy strikes) or any other stoppage of work by employees performing work on, or delivering supplies or materials to, the job site shall not excuse any delay of Subcontractor in the proper performance of its work, regardless of whether the strike or other stoppage of work is attributed to union action or the action of an individual employee.

9.5 Default – Should Subcontractor default in the proper performance of its work, for reasons specified in this provision, Contractor may, as its option, terminate the Subcontract for cause in accordance with the termination for cause provision.

ARTICLE 10 INSURANCE

10.1 Subcontractor's Insurance – Prior to start of its work, Subcontractor shall procure for its work and maintain in force Workers' Compensation Insurance, Employer's Liability Insurance, Comprehensive

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Automobile Liability Insurance, Comprehensive or Commercial General Liability Insurance on an occurrence basis, and any other insurance required of Subcontractor by the Subcontract Documents. Contractor shall be named as additional insured on each of these policies except for Workers' Compensation. Subcontractor shall also name as additional insured all other parties identified in the Contract to be so named. Subcontractor's insurance shall include contractual liability insurance covering Subcontractor's obligations under the Subcontract, including all indemnification provisions included in the Subcontract. Subcontractor shall provide completed operations coverage and maintain the same in full force for the duration of Subcontractor's work.

10.2 Minimum Limits of Liability – Subcontractor's Comprehensive or Commercial General Liability Insurance and Comprehensive Automobile Liability Insurance shall be written with limits of liability which meet the requirements set forth in the Contract, but at a minimum are not less than the following:

A. Comprehensive General Liability Insurance including completed operations:

- | | | |
|----|---|--|
| 1. | Combined Single Limit
Bodily Injury and
Property Damage | \$1 million for each occurrence
\$1 million aggregate |
| | or | |
| 2. | Bodily Injury | \$1 million for each occurrence
\$1 million aggregate |
| 3. | Property Damage | \$1 million for each occurrence
\$1 million aggregate |

B. Commercial General Liability Insurance:

- | | | |
|----|---|---------------------------------|
| 1. | Each Occurrence Limit | \$1 million |
| 2. | General Aggregate | \$2 million |
| 3. | Products/Completed Operations Aggregate | \$2 million |
| 4. | Personal and Advertising Injury Limit | \$1 million for each occurrence |

C. Comprehensive Automobile Liability Insurance:

- | | | |
|----|---|---------------------------------|
| 1. | Combined Single Limit
Bodily Injury and
Property Damage | \$1 million for each occurrence |
| | or | |

- | | | |
|----|-----------------|--|
| 2. | Bodily Injury | \$1 million for each person
\$1 million for each occurrence |
| 3. | Property Damage | \$500,000.00 aggregate |

10.3 Cancellation, Renewal or Modification – Subcontractor shall maintain in effect all insurance coverage required under the Subcontract at Subcontractor's sole expense and with insurance companies rated as required by Owner but no less than a Best rating of A- or better. All insurance policies shall contain a provision that the coverages afforded shall not be canceled or not renewed, nor restrictive modifications added, until at least thirty (30) calendar days' prior written notice has been given to Contractor. Certificates of Insurance and additional insured endorsements shall be filed with Contractor prior to the commencement of Subcontractor's work. In the event Subcontractor fails to obtain or maintain any insurance coverage required under the Subcontract, Contractor may purchase such coverage and charge its expense to Subcontractor, or terminate the Subcontract for cause in accordance with the termination for cause provision of the Subcontract.

10.4 Builders Risk Insurance – Builder's Risk Insurance

- ☐ Is provided by Contractor
☐ Is provided by Owner
☒ Is not provided by Contractor or Owner

If Builder's Risk Insurance is provided by Contractor or Owner, upon written request by Subcontractor, Contractor shall provide Subcontractor with a copy of the Builder's Risk policy of insurance.

10.4.1 If Builder's Risk Insurance is provided by Owner or Contractor, then Contractor and Subcontractor waive all rights against each other and Owner, Architect, Architect's consultants and agents or employees of any of them, separate contractors, and all other subcontractors for loss or damage to the extent covered by Builder's Risk, except such rights as they may have to the proceeds of such insurance. However, this waiver shall not extend to the acts or omissions of Architect, Architect's consultants, and the agents or employees of any of them.

10.5 Endorsement – If the policies of insurance referred to in this Article require an endorsement to provide for continued coverage where there is a waiver of subrogation, the owners of such policies will cause them to be so endorsed.

ARTICLE 11 INDEMNIFICATION

11.1 General Indemnity – All work covered by the Subcontract done at the site of construction or in preparing or delivering materials or equipment, or any or all of them, to or from the site shall be at the risk of Subcontractor exclusively. To the fullest extent permitted by law, Subcontractor shall, with respect to all work which is covered by or incidental to the Subcontract, indemnify, hold harmless and defend Contractor from and against any and all allegations, losses, claims, actions, demands, damages, liabilities, or expenses (including costs, expenses and attorneys' fees), arising from or relating to the death or bodily injury to persons, injury to property, design defects (if design originated by Subcontractor), or other loss, damage or expense. Subcontractor's duty to indemnify shall include all damages caused or alleged to be caused in whole or in part by any negligent act or omission, whether active or passive, of: (a) Subcontractor; (b)

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anyone directly or indirectly employed by Subcontractor; (c) anyone for whose acts Subcontractor may be liable; or (d) Contractor. Subcontractor shall not be obligated to indemnify Contractor with respect to the sole negligence or willful misconduct of Contractor, its agents, servants or subcontractors who are directly responsible to Contractor, excluding Subcontractor.

11.1.1 However, if Owner does not require Contractor to provide a Type I indemnity to Owner (i.e., only Owner's sole negligence and willful misconduct are excluded from the indemnity), paragraph 11.1 shall not apply and Subcontractor's indemnity to Contractor shall be the same indemnity Contractor is required to provide to Owner. In such event, Subcontractor agrees to Owner's indemnity provision with the substitutions of "Contractor" for "Owner" and "Subcontractor" for "Contractor."

11.2 Indemnification for Noncompliance With Laws – Subcontractor shall fully indemnify and hold Contractor harmless from all loss, costs and expenses attributable to any acts or omissions by Subcontractor which constitute a failure to comply with any laws, rules, ordinances and / or regulations of any governmental entity or agency.

11.3 Patents – Subcontractor shall pay all royalties and license fees which may be due on the inclusion of any patented materials in Subcontractor's work. Subcontractor shall defend all suits for claims for infringement of any patent rights arising out of Subcontractor's work, which may be brought against Contractor or Owner, and shall be liable to Contractor and Owner for all loss, including all costs, expenses and attorneys' fees in any such suit.

ARTICLE 12 CHANGES

12.1 Performance – Subcontractor shall proceed with all written directions issued by Contractor so as not to delay the work. Subcontractor shall adhere strictly to the Subcontract Documents unless directed otherwise in writing. Subcontractor shall not make any changes to the work set forth in the Subcontract Documents, either as additions or deletions, without the written direction of Contractor.

12.2 Incorporating Changes – All provisions of this Subcontract shall apply to any changes or extras in a like manner and to the same extent as though said changes or extras were incorporated in the Subcontract.

12.3 Notification of Additional Costs or Time – Subcontractor shall immediately provide written notification to Contractor if a written direction could result in additional costs or time of performance so that Contractor has sufficient time to take actions to minimize any additional costs or time, and has sufficient time to provide notification to Owner in accordance with the Contract.

12.4 Submission of Cost Proposals and Requests For Time Extensions – Subcontractor shall submit its cost proposal(s) in sufficient time for Contractor to comply with any submission requirements of Owner. All such cost proposals shall itemize, in a form acceptable to Contractor, any change in costs or time for performance which result from any written direction issued by Contractor.

12.5 Cost Proposal Negotiations – At Subcontractor's request, it shall be invited to attend and participate in all negotiations with Owner or others that relate to settlement or resolution of its cost proposals. At Contractor's request, Subcontractor shall attend and participate in negotiations with Owner or others that relate to settlement or resolution of Subcontractor's cost proposals.

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ARTICLE 13 DELAYS

13.1 Excusable Delays – An excusable delay is one which is caused by circumstances or events beyond the control and without the fault or negligence of Contractor or Subcontractor, and which is recognized by the Contract as “excusable,” that is, a delay for which the contract time is extended but for which no compensation is allowed. To the extent excusable delays occur and affect Contractor’s and/or Subcontractor’s ability to complete their work in accordance with the updated progress schedule, the affected party’s time for performance shall be extended, but only to the extent such extensions are allowed by Owner.

13.2 Subcontractor Caused Delays – Subcontractor caused delays are delays caused by the failure of Subcontractor, or any party for which Subcontractor is responsible, to perform any portion of its work in accordance with the updated progress schedule. If Subcontractor delays cause delay and/or disruption to the Contract work, Subcontractor shall be liable for all costs and damages sustained by Contractor or for which Contractor may be liable to Owner or any other party, including consequential damages and liquidated damages. If Subcontractor delays are only one of multiple causes for delay to the Contract work, Subcontractor shall only be liable for its proportionate share of any resulting damages.

13.3 Contractor Caused Delays – Contractor caused delays are delays caused by the failure of Contractor, or any party for which Contractor is responsible, to perform any portion of its work in accordance with the updated progress schedule. If Contractor delays cause delay and/or disruption to Subcontractor’s work, Contractor shall be liable for all costs and damages sustained by Subcontractor, or for which Subcontractor may be liable to any other party, including consequential damages. If Contractor delays are only one of multiple causes for delay to Subcontractor’s work, Contractor shall only be liable for its proportionate share of any resulting damages.

13.4 Concurrent Delays – Concurrent delays are delays which can be attributed to either: (a) excusable delays and Subcontractor caused delays occurring concurrently; or (b) excusable delays and Contractor caused delays occurring concurrently. To the extent any portion of a delay is concurrent delay, and affects Contractor’s and/or Subcontractor’s ability to complete its work in accordance with the updated progress schedule, the period of performance shall be extended but neither Contractor nor Subcontractor shall be entitled to recover any costs or damages.

13.5 Disputed Delays – If Subcontractor disputes the determination of the cause of any delay and wishes to pursue that dispute, it must comply with the Claims article of the Subcontract.

ARTICLE 14 CLAIMS

14.1 Claim – A claim is a written demand by Subcontractor seeking an adjustment in the Subcontract Price and/or time, or the recovery of withheld disputed funds.

14.2 Notification of Claims – Subcontractor shall immediately provide written notification to Contractor of any claims so that Contractor has sufficient time to take actions to minimize any additional costs or time, and has sufficient time to provide notification to Owner in accordance with the Contract.

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14.3 Submission of Claims – Subcontractor shall submit its claims in sufficient time for Contractor to comply with any submission requirements of Owner. All such claims shall itemize, in a form acceptable to Contractor, any additional costs or time for performance being sought by Subcontractor.

14.4 Claims with Owner – To the extent Contractor determines Subcontractor's claim is one for which Owner may be liable, the following procedure shall apply:

- (a) Contractor will present Subcontractor's claim to Owner's first level designated representative. The decision of such representative will be conveyed in writing to Subcontractor and such decision shall be final unless Subcontractor notifies Contractor in writing of its desire to proceed further in sufficient time for Contractor to comply with any notification or submission requirements to Owner.
- (b) Upon receipt of Subcontractor's notice to proceed further, at Contractor's option, Subcontractor's claim may be further pursued with Owner. In such event, Contractor may allow Subcontractor to act in its own behalf and with its own consultants/attorneys at Subcontractor's cost to continue the required process and any subsequent administrative proceeding or litigation. If Contractor does not allow Subcontractor to act in its own behalf or it is procedurally impermissible for Subcontractor to proceed in its own behalf, and Contractor elects to allow the continued pursuit of Subcontractor's claim, then at the written request of Subcontractor, Contractor will proceed with the dispute on condition that Subcontractor pay to Contractor all of its actual costs arising out of such process, including but not limited to attorneys' fees, court costs and the costs of Contractor's personnel employed in pursuing the case against Owner.
- (c) If Contractor elects to not allow further pursuit of Subcontractor's claim against Owner, and Subcontractor disputes such decision, Subcontractor may pursue its claim pursuant to the Disputes Resolution Article of the Subcontract.
- (d) Nothing shall prevent Contractor from accepting a contract modification from Owner which preserves the rights of Subcontractor.
- (e) If because of Subcontractor's claim, Owner withholds any sums due Contractor, then Subcontractor shall pay to Contractor interest on the amounts so withheld at the rate of 10 percent per annum. If Owner withholds sums due Subcontractor as a result of a claim of Contractor, Contractor shall pay to Subcontractor interest on the amounts so withheld at the rate of 10 percent per annum.

ARTICLE 15 DISPUTES RESOLUTION

15.1 Claims Not Involving Owner – To the extent Subcontractor submits a claim which Contractor determines is one for which Owner may not be liable, or is one which Contractor elects to not allow Subcontractor to further pursue with Owner, or to the extent Contractor has a claim against Subcontractor, the following procedures shall apply and begin within 60 days of notification:

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- (a) If the dispute cannot be settled through direct discussions, the parties shall attempt to settle the dispute by mediation before recourse to any other method of dispute resolution. Unless the parties agree otherwise, the mediation shall be conducted in accordance with the Construction Mediation Rules of the American Arbitration Association.
- (b) If mediation does not resolve the dispute, then the parties may agree to resolve the dispute through binding arbitration. If so, the arbitrator(s)' decision shall be enforceable in a court of law and judgment shall be entered in accordance with such decision.
- (c) If mediation does not resolve the dispute and the parties do not agree to resolution by binding arbitration, either party may proceed with any allowable resolution process.

15.2 Participation In Proceedings – If Contractor receives a claim from any other party and Contractor determines Subcontractor may be liable, in whole or in part, for such claim, Subcontractor shall participate in the disputes resolution process with Contractor and such other party. To the extent practical, Contractor will not agree to binding arbitration or any other form of resolution with the other party without Subcontractor's consent. If, however, Contractor could not have determined, by reasonable diligence, that Subcontractor may be liable for the other party's claim before binding arbitration or any other form of resolution was already agreed upon, Subcontractor shall participate in that arbitration or other form of resolution and shall be bound by the decision rendered in that proceeding.

ARTICLE 16 PAYMENT

16.1 Schedule of Values – Within 10 days of Contractor's request, Subcontractor shall prepare and submit to Contractor a Schedule of Values which breaks down Subcontractor's work into individual activities. Each activity contained in the Schedule of Values shall be assigned a monetary price such that the total of all such items shall equal the Subcontract Price. The Schedule of Values shall be prepared in such detail as may be required by Owner and/or Contractor.

16.2 Payment and Verification – Subcontractor is required to pay for all labor, materials and equipment used in the performance of Subcontractor's work through the most current period applicable to progress payments received from Contractor. Contractor may require reasonable evidence to show that all obligations relating to Subcontractor's work are current through all payments received from Contractor before releasing any payment due for Subcontractor's work.

16.3 Progress Payment Applications – Subcontractor's applications for payment shall be itemized and in accordance with Subcontractor's Schedule of Values and any other substantiating data as required in the Contract for Contractor's payment applications. Subcontract payment applications may include amounts for Subcontract change orders which have been fully executed by Subcontractor and Contractor. Subcontractor cannot include in its payment applications any amounts for changes which have not been fully executed by Subcontractor and Contractor, or for disputed work.

16.4 Stored Materials and Equipment – If allowed by Owner, applications for payment may include materials and equipment not incorporated into Subcontractor's work but suitably stored on or off the site.

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Approval of payment applications for materials and equipment stored on or off the site shall be conditioned on: (1) submission by Subcontractor of bills of sale and applicable insurance or such other procedures satisfactory to Owner and Contractor to establish the proper valuation and protection of the stored materials and equipment; (2) Owner's and/or Contractor's title to such materials and equipment; and (3) any other documents or procedures to protect Owner's and Contractor's interests, including during the transportation of such items to the site by Subcontractor.

16.5 Time for Submission of Application – Subcontractor's progress payment application shall be submitted to Contractor in sufficient time for Contractor to include it in Contractor's payment request to Owner. Contractor shall incorporate the amount of Subcontractor's progress payment application approved by Owner into Contractor's payment application to Owner for the same period and timely submit it to Owner. If requested by Subcontractor, Contractor shall inform Subcontractor of Owner's changes to Subcontractor's percentages of completion reflected on Subcontractor's payment application and/or other adjustments affecting Subcontractor.

16.6 Copy of Payment Request – Upon written request, Contractor shall give Subcontractor a copy of that portion of Contractor's most current application for payment reflecting the percentages approved and/or paid by Owner for Subcontractor's work performed to date.

16.7 Lien Waivers – Subcontractor shall provide, in a form satisfactory to Owner and Contractor, lien or claim waivers in the amount of the application for payment from Subcontractor, and its subcontractors, materialmen and suppliers for the completed work. Contractor may refuse to pay Subcontractor if Subcontractor fails to provide such waivers. If such waivers are conditional upon payment, Contractor may choose to make payment by issuance of joint checks to Subcontractor and its subcontractors, materialmen and suppliers. Subcontractor shall not be required to sign an unconditional waiver of lien or claim prior to receiving payment, or in an amount in excess of what it has been paid.

16.8 Application Reduction, Rejection or Nullification – Contractor may reduce or reject a Subcontractor payment application or nullify a previously approved Subcontractor payment application, in whole or in part, as may reasonably be necessary to protect Contractor from loss or damage based upon:

- (a) Subcontractor's failure to perform its work as required by the Subcontract Documents;
- (b) Loss or damage to Owner, Contractor or others to whom Contractor may be liable arising out of or relating to the Subcontract and caused by Subcontractor or its lower tier subcontractors or suppliers;
- (c) Subcontractor's failure to properly pay for labor, materials, equipment or supplies furnished in connection with its work;
- (d) Rejected, nonconforming or defective work which has not been corrected;
- (e) Reasonable evidence of delay in performance of Subcontractor's work such that the work will not be completed within the time allotted by the updated progress schedule, and that the unpaid balance of the Subcontract Price is insufficient to offset the liquidated damages or actual damages that may be sustained by Contractor as a result of the anticipated delay caused by Subcontractor;

- (f) Reasonable evidence demonstrating that the unpaid balance of the Subcontract Price is insufficient to cover the cost to complete Subcontractor's work;
- (g) Third party claims against Subcontractor or reasonable evidence demonstrating that third party claims are likely to be filed. Subcontractor can eliminate this basis by furnishing Contractor with adequate security in the form of a surety bond, letter of credit or other collateral or commitment which is sufficient to discharge such claims if established;
- (h) Owner's reduction, rejection or nullification of any part of a payment application; or
- (i) Any other failure to comply with the terms and conditions of the Subcontract Documents.

Contractor shall give written notice to Subcontractor, at the time of reducing, disapproving or nullifying an application for payment, of the specific reasons for Contractor's action. When the above reasons for reducing, disapproving or nullifying an application for payment are removed, payment will be made for amounts previously withheld.

16.9 Retention – Contractor may withhold from Subcontractor retention up to a rate of 10 percent, or as provided by law.

16.10 Payment Not Acceptance – Payment to Subcontractor does not constitute or imply acceptance of any portion of Subcontractor's work.

16.11 Final Payment Application – Contractor is required to incorporate Subcontractor's application for final payment into Contractor's next application for payment to the Owner only after the following occur:

- (a) acceptance of Subcontractor's work by Contractor and Owner;
- (b) if requested by Contractor, evidence acceptable to Contractor that all payrolls, bills for materials and equipment, and other indebtedness connected with Subcontractor's work have been fully paid, or will be fully paid by issuance of joint checks in return for unconditional releases;
- (c) if requested by Contractor, consent of Subcontractor's surety to final payment;
- (d) satisfaction of close-out procedures as may be required by the Subcontract Documents; and
- (e) if requested by Contractor, releases and waivers of liens, stop notices, bond rights, or any rights against Contractor, its surety or Owner, effective upon payment, to the extent and in such form as may be designated by Contractor.

16.12 Effect of Final Payment – Acceptance of final payment by Subcontractor shall constitute a waiver of claims by Subcontractor, except for claims reserved in a final release.

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ARTICLE 17 RECOURSE BY CONTRACTOR

17.1 Failure of Performance – If Subcontractor refuses or fails to fully and timely perform its obligations pursuant to the Subcontract, Contractor may, after two (2) working days written notice to Subcontractor, commence and continue satisfactory correction of such failure, and without prejudice to any other rights or remedies, provide the most expeditious correction of the failure by whatever means Contractor deems appropriate and charge the resulting costs to Subcontractor. A failure to fully and timely perform shall include but not be limited to, failing to supply enough properly skilled workers or proper materials, failing to maintain performance in accordance with the updated progress schedule, failing to make prompt payment to its workers, subcontractors or suppliers, disregarding laws, ordinances, rules, regulations or orders of any authority having jurisdiction, or otherwise failing or refusing to comply with any provision of the Subcontract. In the event of an emergency affecting the safety of persons or property, Contractor may proceed to commence and continue satisfactory correction of such failure without first giving two (2) working days' written notice to Subcontractor, but shall give prompt written notice of such action to Subcontractor.

ARTICLE 18 TERMINATION

18.1 Termination For Cause – If Subcontractor fails to perform any of its Subcontract obligations, Contractor may, after seven (7) calendar days written notification and in lieu of or in addition to any other remedies, terminate the Subcontract. A separate written notice of termination shall be issued by Contractor to Subcontractor at the time the Subcontract is terminated. If such a termination occurs, Contractor shall have the right to take and use any materials, equipment, appliances or tools furnished by, belonging or delivered to Subcontractor and located at the project for the purpose of completing any remaining Subcontractor work.

In the event the Subcontract is terminated for cause, Subcontractor shall not be entitled to receive any further payment until the Contract work is completed. At that time, if the amounts earned but not paid Subcontractor before the termination exceed the expenses incurred by Contractor in completing Subcontractor's work, any excess shall be paid by Contractor to Subcontractor; but, if Contractor's expense to complete Subcontractor's work exceeds the amount earned and unpaid, Subcontractor shall promptly pay the excess amount to Contractor. The expense incurred by Contractor shall include Contractor's costs for completing the work, including overhead, profit and attorneys' fees, and any damages incurred by Contractor by reason of Subcontractor's default.

18.2 Termination By Owner – If Owner terminates the Contract, or any part which includes portions of Subcontractor's work, Contractor shall notify Subcontractor in writing and Subcontractor shall immediately stop the performance of the terminated work, follow Contractor's instructions regarding any shutdown and termination procedures, and mitigate all costs. If Owner's termination partially eliminates Subcontractor's work, Contractor may terminate the Subcontract in its entirety.

18.2.1 Contractor's liability to Subcontractor for any damages incurred or claims resulting from Owner termination for convenience shall be limited to the amount Owner is determined to be liable to Contractor for Subcontractor's damages. Contractor's liability to Subcontractor for Owner's termination for cause shall be determined pursuant to the Claims and Disputes Resolution Articles of the Subcontract.

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**ARTICLE 19
SUSPENSION OF WORK**

19.1 Contractor may order Subcontractor in writing to suspend all or any part of Subcontractor's work for such period of time as Contractor deems appropriate. Contractor's liability to Subcontractor for any delay or disruption resulting from such suspension shall be determined pursuant to the Claims and Disputes Resolution Articles of the Subcontract. If the suspension is directed or caused by Owner, Contractor's liability to Subcontractor shall be limited to the amount Owner is determined to be liable to Contractor for Subcontractor's damages.

**ARTICLE 20
ASSIGNMENT OF SUBCONTRACT**

20.1 Subcontractor shall not, without written consent of Contractor, assign its rights in the Subcontract to others. This Subcontract may be assigned by Contractor to its bonding company.

~ END ~

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SUBCONTRACT

SIGNATURE PAGE

Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P. O. Box 26000, Sacramento, California 95826.

Representation By Contractor

Contractor represents to Subcontractor that this Subcontract is the "Long Form Subcontract Between General Contractor and Subcontractor" which was developed by The Associated General Contractors of America, San Diego Chapter, Inc. Neither Contractor nor Subcontractor have modified the printed language of the standard form agreement except by strike outs, interlineations or the like which have been initialed by both parties, or by attachments which are identified and attached. Contractor and Subcontractor may rely on all other printed portions of the Subcontract as being unaltered from the form contract published by AGC San Diego. Any change to the printed language which was not initialed by both parties or set forth in an attachment shall have no force and effect on either party and both parties shall instead be bound by the unaltered printed language. This provision does not apply to the language which must be inserted into the blank spaces or to the blocks which must be checked. Those items need not be initialed by the parties.

Representation By Subcontractor

Subcontractor warrants that it is properly licensed by the Contractors' State License Board of the State of California with the proper license classifications for performance of its work. Subcontractor further warrants that its license is and will remain current, active and in good standing all times during performance of its work.

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**This Subcontract has important legal and insurance consequences.
Consultation with an attorney and insurance consultant is encouraged with
respect to its completion or modification.**

The parties have executed this Subcontract for themselves, their heirs, executors, successors, administrators and assigns at the place and on the day and year first written above.

SUBCONTRACTOR

Firm: Baker Electric

By *A. England*

Print Name/Title George England Group Manager

CA Contractor's License # C10-161756

Federal I.D. # 95-1853701

State of Incorporation California

Partnership

Proprietorship ☐

CONTRACTOR

Firm: Cornerstone Building Group

By *Richard Dwyer*

Print Name/Title Richard Dwyer, CEO

CA Contractor's License # 812183

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Hydrogen Fuel Station
MCB Camp Pendleton
CORNERSTONE BUILDING GROUP PROJECT NO. 620

ATTACHMENT "A" TO SUBCONTRACTOR AGREEMENT NO.: 620 - 16100S

SUBCONTRACTOR: BAKER ELECTRIC

1. The above-referenced Contract Number must appear on all packages, bills of lading, packing slips, billings, and correspondence.
2. Subcontractor shall provide satisfactory Faithful Performance and Payment Bonds for 100% of Subcontractor's contract amount if contract exceeds \$100,000.00. All Bonds must be executed by an admitted insurer listed in the Federal Register and have a AA rating. Cost of Bonds shall be included in contract amount. Note: (see AGC Contract Article 4, Surety Bonding Section 4.2)
3. SUBMITTALS - Where required in each Specification Section, Subcontractor shall provide complete material submittals in accordance with Specification Section 01300 and Article 23 and 31 of the General Conditions, with the exception that Contractor shall be supplied with 6 volumes of manufacturer's literature, one sepia transparency of each sheet, six blue line or black line prints of each sheet, and 6 samples. One copy will be returned to Subcontractor. All submittals shall be delivered to Contractor's job site office as a complete package per the time schedule in Section 01300-1.3-C, except that all submittals shall be submitted to Contractor within 5 calendar days after Notice to Proceed to Contractor.

SUBCONTRACTOR'S RESPONSIBILITY OF COMPLIANCE - Subcontractor is reminded of the stringent requirements for material submittals, which shall be vigorously enforced during this Project. Subcontractor shall be solely responsible for compliance with all Contract Document requirements relative to material submittals including absolute conformance with the terms and/or definitions of required submittal items delineated in the General Requirements and/or Section 01330 - SUBMITTAL PROCEDURES except as modified herein which shall prevail.

FORM AND FORMAT - Present all complete submittals for each individual Specification Section in individually-bound volumes, titled with the Project name and number as well as the individual Specification Section to which it pertains. Provide an index of included items using the same order and format as delineated in each Specification Section for "Submittals" as the first page of each volume. Title the index with the applicable Specification Section name and number. Each submittal item to be incorporated into the Project shall be clearly marked and identified in the submittals and catalogue data and shall be cross-referenced to the Contract drawings and/or Specifications so as to clearly identify the use for which it is intended. Clearly mark each sheet in each volume in the same numerical sequence as each Specification Section paragraph is arranged.

SUBCONTRACTOR'S STATEMENT(S) OF COMPLIANCE: Make a statement for each Specification paragraph or subparagraph which is preceded with a number or letter. Such statement will be used to communicate what Subcontractor is submitting. In cases where the paragraph implies instruction only, the word "NOTED" may be used indicating acknowledgement. Otherwise, a statement requiring a formal answer from the Architect should be made. Where common building materials, such as wire or pipe, are specified, Subcontractor may use the words "AS SPECIFIED", indicating total and strict compliance with the referenced paragraph. If any product, product data, and/or product description in the Specification Section will not be used and/or is not pertinent to this project, indicate such with "NOT APPLICABLE" next to the item. All other paragraphs involving a manufactured product and its installation requirements shall be submitted as specified herein, using the Specification number system for identification.

Subcontractor's Initials JD

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Any submittal or portion thereof which is returned from the Architect/Owner marked "REVISE AND RESUBMIT" or "REJECTED" shall be so remedied and/or corrected, and returned to Contractor by Subcontractor within 5 business days of Subcontractor's receipt of such returned submittal.

SUBMITTAL CERTIFICATION BY SUBCONTRACTOR: All submittals shall be complete, correct, and in proper format in all respects. All submittals shall clearly state whether product(s) falls into one of the three following categories:

3. A. "As Specified.
4. B. "Or Equal" – referencing Article 30 of the General Conditions. "Or Equal" materials must be accompanied with a request for substitution for product of manufacturer which is not specifically named.
5. C. "Substitution" – reference paragraph-covering substitutions below. Such submittal shall contain both the specified product's literature as well as the proposed substitution's product literature for the Architect's comparison.

All submittals shall be so certified by Subcontractor. At time of transfer of Subcontractor's proposed submittal packages to Contractor for approval, such volumes shall be accompanied with the following statement, on Subcontractor's letterhead, and signed by an authorized and responsible person of your company:

"I hereby certify that the equipment/material/article shown or marked in these submittals and proposed to be incorporated into the work of Contract No. 620 -16100S are in complete compliance with the Contract Documents and can be installed in the allocated spaces".

NAME OF SUBCONTRACTOR: BAKER ELECTRIC

AUTHORIZED SIGNATURE: _____

JOB TITLE: _____

DATE: _____

Any and all submittals without such signed certification may be rejected. It shall be construed that the above statement is in effect for any and all submittals given to Contractor by Subcontractor, whether so indicated or not on individual submittals by Subcontractor's signature on this Subcontractor Agreement.

SUBMITTAL PROCESSING COSTS – Contractor will absorb and pay all costs for submittal approval for normal processing of material submittals in accordance with Contract Documents providing such submittals are complete, correct, and in proper format. However, Subcontractor will be responsible and liable for all Contractor and Designer costs incurred with re-submittals, re-review, re-certification, and/or requests for material substitutions/deviations, and/or "Or Equal" products.

SUBSTITUTIONS – Substitutions are discouraged for work, materials, equipment, or methods of installation on this project. Referencing Article 5.21.2 (Substitutions) of the General Conditions and Specification Section 01340, substitutions are permitted provided that Subcontractor can establish equality required by Owner/Architect and Request for Substitution is submitted to the Contractor within 30 calendar days of the Owner's Notice to Proceed to Contractor. Subcontractor shall assume any and all liabilities for costs, delays, disruptions, and/or out-of-phase work of other trades resulting from Subcontractor's proposed substitution, whether approved or disapproved.

Approved material submittals must be on file at the job site before delivery of proposed materials to the job site.

4. Referencing Section 01730 and where specifically required in the Contract Documents, Subcontractor shall provide Contractor with instruction manuals, parts lists, and operating and Subcontractor's Initials JD

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maintenance manuals in the form and format specified, except that the number of such documents provided to Contractor shall be two more than specified in such Contract specifications. All manuals must be delivered to Contractor within 10 days of receipt of said equipment.

5. Subcontractor shall provide and update as required names, addresses, and phone numbers of all key personnel.

6. A Daily Report must be filled out by Subcontractor and in Contractor's job site trailer no later than 5:00 p.m. the same day **without exception**. The form will be furnished by Contractor. All areas of the form must be filled out. Subcontractor shall be solely responsible for assuring that the information is complete and in agreement with Subcontractor's certified payroll reports. Subcontractor's failure to submit correct daily reports may cause Contractor to withhold portions of Subcontractor's progress payments.

7. Certified Payroll Reports (one original and two copies) are due on a weekly basis and must be delivered to Contractor no later than 10 calendar days after Subcontractor's work has been performed. Reports must conform exactly with the actual hours worked and reported at the job site. Wage rates must be in compliance with the Prevailing Wage Rates governing this Project. It is Subcontractor's responsibility to verify his own employees' hourly pay rate.

For any Subcontractor unfamiliar with certified payroll, Contractor will instruct Subcontractor on how to fill the report out **the first time only**. Subcontractor is solely responsible for all subsequent reports.

If Subcontractor pays fringe benefits into an approved plan/fund/program, Subcontractor must submit the name of said plan with an itemized breakdown of the hourly dollar amounts with Subcontractor's first certified payroll report. Apprenticeship employees' paperwork must also be submitted whenever an apprentice appears on the daily reports. In addition, Subcontractor shall provide Contractor with proof that dues are being contributed to said plan by submitting a copy of the monthly report and a copy of the check you are submitting with the certified payroll report.

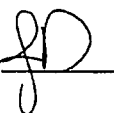
Contractor reserves the right to interview any person(s) working on the job site to clarify the trade classification and rate of pay. Furthermore, Contractor reserves the right to request copies of canceled payroll checks as proof of payment to said employees.

Subcontractor understands that Contractor may withhold entire amount of progress payment if subcontractor is delinquent on providing certified payroll reports or has failed to correct noted deficiencies on reports.

8. Subcontractor shall provide proof of insurance to Contractor in accordance with Clause A INSURANCE, of the General Subcontract Provisions of the AGC Standard Form Subcontract Agreement except as modified herein, which shall prevail. Such insurance certificates must be on file at Contractor's job site office before Subcontractor may commence work at the job site. Minimum comprehensive general liability and property damage insurance amounts of \$1,000,000.00 are required and must be provided. Workers compensation in amounts required by State Law shall also be provided. Both "Cornerstone Building Group" and "NAVFAC Southwest" must be named as "Additional Insured" and "Certificate Holder". Additional insured endorsement shall provide coverage for completed operations and shall be issued on Form CG 20 10 11 85 or its equivalent.

In the cancellation clause "...endeavor to..." and "...but failure to..." to the end of the sentence must be stricken. There shall be a provision for a minimum of 30 days written cancellation notice. **The Project name and number must appear on the certificates.**

Subcontractor's Initials



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9. Scheduling Requirements/Schedule of Values – Within 7 calendar days of receipt of Contractor's Preliminary Construction Schedule, Subcontractor shall submit a complete, itemized breakdown of work indicating activity sequence, cost of labor and material for each activity, crew size, and expected duration required to complete each work sequence. Contractor shall attempt to integrate this information into Contractor's 'baseline construction schedule. Upon Owner's approval, such schedule and monthly schedule updates will be used in billings for progress payments. Please note any requirements, which would affect out trade, (i.e. drying times, panting before trim, etc.) Failure of Subcontractor to comply with this requirement within the allotted time shall allow Contractor to develop the Schedule of Values on behalf of Subcontractor as if submitted by Subcontractor.

10. Subcontractor's Tier Subcontractors and Suppliers – Subcontractor shall provide Contractor with a complete list of tier subs/suppliers to be returned with signed Contract, and shall constantly update such list as scope of work indicates. Failure of Subcontractor to provide and update this list to Contractor will cause Subcontractor's progress payment to be deferred until properly provided to Contractor with no exceptions. Subcontractor shall provide unconditional lien releases from pertinent suppliers and tier sub labor with each and every progress billing. If Subcontractor does not have any tier subs or suppliers, Subcontractor shall advise Contractor in writing and such statement shall accompany each and every progress-billing request.

At Contractor's option, Contractor may make payment to Subcontractor for approved progress payments by joint checks payable to Subcontractor and Subcontractor's tier subs/suppliers for amounts owed. At Contractor's option, Contractor may pay directly to any of Subcontractor's unpaid tier subs/suppliers any amounts owed on behalf of Subcontractor and set off such amounts against Subcontractor's contract amount. Contractor shall provide notification of such to Subcontractor and shall assist in resolving outstanding disputes related to this project with tier subs/suppliers.

NOTE: All releases must be signed by an officer of the company and all releases must be complete including specific dollar amounts. Releases with no dollar amount indicated, or "sufficient funds" or other similar language will not be accepted.

11. Joint Apprentice Committee (JAC) State Code 1777.5, 1777.6, and 1777.7 – All Subcontractors performing on public works projects are required to comply with referenced sections of the State Labor Code each time they receive an award to perform on a public works project. Non-signatory subcontractors using employees in apprenticeship trades are required to apply to the appropriate JAC, requesting permission to employ and train apprentices. It is suggested that all applications be sent by certified mail as a means to show proof that an application was submitted. A copy of that application must be submitted to Contractor with the first monthly-certified payroll reports as proof of compliance. Subcontractors who are signatory to a labor agreement are required to submit in letter form with first monthly report, a statement identifying which laborer agreement(s) they are signatory to as related to this project.

12. As-Built Drawings, conforming to Contract Document requirements must be maintained by Subcontractor for all of Subcontractor's work, and kept current on a weekly basis. Subcontractor shall utilize and update as-built drawings and coordinate as-built requirements with the Project's QC Manager.

13. 10% Retention will be withheld by Contractor on all progress payments. A greater amount will be withheld if Subcontractor does not maintain and regularly update, where required by the Contract Documents, the following:

- A. Material submittals including, but not limited to, samples, certifications, shop drawings, certified test results, and/or any other required data for materials and/or equipment.
- B. O&M Manuals, operating instructions, warranty date, etc.
- C. Subcontractor daily reports.

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- D. Certified payrolls.
- E. Names, addresses, and phone numbers of Subcontractor's Project Manager and Foreman.
- F. Insurance certificates - kept current.
- G. Hazard Communication Regulation Requirements.
- H. List of all tier subcontractors and Subcontractors with respective addresses and phone numbers.
- I. Schedule of Prices.
- J. Scheduling requirements.
- K. As-Built Drawings - kept current.
- L. Lien releases for tier-subcontractor's and Subcontractors with each and every progress payment request.
- M. Equal Opportunity and/or Affirmative Action Participation Compliance requirements and/or documentation.
- N. Subcontractor's Safety Plan.

14. Billing procedures must be in accordance with the format outlined below:

Contract Amount _____
 Approved Change Orders _____
 Revised Contract Amount _____

 Current Billing Amount-Completed/Approve _____
 (Attach Schedule of Prices)
 Amount of Change Order Work _____
 Total Amount This Billing _____
 Less Retention _____
 Sub-Total _____
 Less Previously Amount Billed _____
 Less Back Charges (if applicable) _____
 Current Amount Due _____

Billing date shall be the 25th of each month, projected through the end of the month. Payment to Subcontractor shall be made within seven calendar days after Contractor has received payment from Owner.

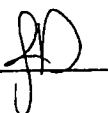
Subcontractor shall provide his Federal Tax Identification Number or Social Security Number and a copy of his State Business License as a requirement of this Contract. There will be no Contract payment issued until these requirements are fulfilled.

Progress payments by Contractor to Subcontractor for any stored materials, either on-site or in a "bonded" warehouse, and/or equipment prior to fixed installation at the Project are subject to the following conditions and stipulations which supersede any other provisions(s) to this Agreement:

A. Sole ownership and means of distribution of such material and/or equipment transfers exclusively to Cornerstone Building Group upon Subcontractor's receipt of payment. At time of Subcontractor's application for progress payment, Subcontractor shall provide Contractor with a detailed inventory of specific description and quantity for each and every item(s), and stating that Contractor owns such materials and/or equipment upon Subcontractor's receipt of said payment.

B. Subcontractor shall provide Installation Floater Insurance coverage for the replacement values of such materials and/or equipment that explicitly names "Cornerstone Building Group" as additional insured on the insurance certificate.

Subcontractor's Initials



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- C. Progress payment amount to Subcontractor shall not exceed the actual invoice amount for such materials and equipment that Subcontractor owes.
- D. Subcontractor shall comply with all requirements for payment of stored materials in accordance with Section 00721 and/or 01200.

15. If Subcontractor and Contractor have any other contractual agreements, any funds from this Agreement or from any other contractual agreement(s), may be applied to complete, satisfy, pay for, or implement any contractual agreements and obligations. Subcontractor and Contractor mutually agree to honor all agreements contained herein.

16. Contractor's Code of Safe Practices, in addition to applicable Federal, State, and Local Regulations, shall be considered minimum safety standards for this Project. A copy of Subcontractor's safety plan must be submitted to Contractor within 5 days of award of Subcontract. Safety standards will be enforced by way of Safety Violation and Correction Notice issued through a designated Cornerstone Building Group employee. A maximum of three documented violations per Subcontractor or per employee shall be considered reasonable cause to suspend Subcontractor or employee right to work on this project. Job Site safety meetings will be held weekly. Attendance is mandatory by all trades working on site. Proper work clothes must be worn by all employees. This means everyone must wear a hard hat, long pants, a shirt, and safety shoes.

17. Subcontractor is responsible for complying with California's Hazard Communication Regulations and must provide Contractor with MATERIAL SAFETY DATA SHEETS on all hazardous substances used by Subcontractor's operations, within 5 days of award of Subcontract. Subcontractor is responsible for complying with the Hazardous Material Federal Regulations 29CFR 1910.120.

18. Contractor will provide lighting as required to maintain safety standards. Electrical outlets will be provided by Contractor to within 100 feet of each building. Subcontractor will be responsible for additional task lighting and power as required to perform Subcontractor's own work.

19. Subcontractor shall not use Contractor's telephones at the job site.

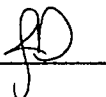
20. Cost Proposals shall be returned to Contractor's job site office within five days (or soon if requested) of receipt of request. Subcontractor is advised to familiarize himself with all requirements regarding changes or claims as described in the Contract Documents.

21. No claim for additional work by Subcontractor shall be recognized by Contractor without written approval or direction by Contractor prior to commencement of such work. Subcontractor must submit a written claim to Contractor within five days after the event-giving rise to Subcontractor's claim.

22. This Project is certified as a "DRUG-FREE WORKPLACE". Neither Subcontractor nor his employees, while performing services at this Project shall be in any way impaired by the use of alcohol or drugs. Subcontractor/employees shall not possess an open container of alcohol, consume alcohol, or be under the influence of any illegal drug, shall not sell, offer, or provide alcohol or drugs to any other person. Any employee's failure to abide by this provision shall be considered reasonable cause to suspend employee's right to work on this Project.

23. Testing and Inspections – Normal testing/inspection of Subcontractor's work shall be provided by Owner as described in Section 01410. Any retesting/re-inspection of Subcontractor's work shall be at Subcontractor's expense. All testing of equipment/material as required in individual Specification Sections shall be by Subcontractor/Subcontractor's supplier.

Subcontractor's Initials



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24. Accident Reports – Subcontractor shall provide Contractor with a copy of the accident report within 48 hours of accident for any accident.

25. Liquidated Damages – Time is of the essence for both the Contract with Owner and this Subcontract Agreement. Subcontractor is hereby informed that liquidated damages for this Project are \$200.00 per calendar day. Subcontractor shall be responsible for a proportional amount of any and all liquidated damages incurred by Contractor due to delays in work caused by Subcontractor. Subcontractor's attention is directed to the phasing requirements and associated liquidated damages as described in Section 5.8.2 of the General Conditions.

26. One copy of the contract drawings, contract specifications, and addenda will be provided to Subcontractor upon request. Should additional copies be required, Subcontractor shall coordinate with Contractor for the production of such copies. The expense for additional copies shall be the responsibility of Subcontractor.

27. Subcontractor's attention is called to the Equal Opportunity Clause, the Affirmative Action Compliance Clauses, the Small Business Program Representations Clauses, and the Affirmative Action for Special Disabled and Vietnam Era Veteran's Clauses incorporated into the Project's Contract Documents. Subcontractor shall comply with all such requirements and shall provide documentation of compliance including, but not limited to, certification, monitoring, and auditing of Subcontractor's participation.

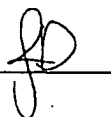
28. Cornerstone Building Group's refuse containers shall not be used by Subcontractor to dispose of materials from Subcontractor's activities. Subcontractor shall remove such refuse from job site in a timely manner, using only Subcontractor's own facilities for such refuse material. Subcontractor shall maintain premises in a broom clean, safe, and orderly condition on a daily basis or more frequently as required. If Subcontractor fails to perform clean up functions as required, Contractor may then proceed to perform this function in a manner deemed most expedient. In each such event, the cost of clean up or \$100.00, whichever is greater, shall be charged to Subcontractor and deducted from payments due under this Agreement. If a dispute arises between Subcontractors as to responsibility for clean up, Contractor shall allocate costs, as it deems fair. Contractor may invoke the foregoing procedure without notice to Subcontractor when deemed by Contractor to be necessary to maintain job site in a safe condition or to maintain progress of the work.

29. Contractors are required by Law to be licensed and regulated by the Contractors' State License Board, which has jurisdiction to investigate complaints against Contractors if a complaint is filed within three years of the date of the alleged violation. Any question concerning a Contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, CA 95826.

30. The Project Management Team and applicable location information is as follows:

Project Manager – Raphael Miller (858) 444-6880
Project Superintendent – Darren Sims (858) 437 - 2785
Office Phone – (619) 296 - 5784
Office Fax - (619) 296-6508

Subcontractor's Initials



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ALL MAIL, SUBMITTALS, ETC., ARE TO BE SENT TO OUR POST OFFICE BOX AS FOLLOWS:

Cornerstone Building Group - Job No. 620
3590 Kettner Boulevard
San Diego, CA 92101

DELIVERY/HOME OFFICE ADDRESS: Cornerstone Building Group - Job No. 620
3590 Kettner Blvd
San Diego, CA 92101

SUBCONTRACTOR:

BAKER ELECTRIC


SIGNATURE/TITLE

Group Manager

DATE

11/0/07

95-1853701
FEDERAL TAX ID NO./SOC. SECURITY NO.

CONTRACTOR:

CORNERSTONE BUILDING GROUP


RICHARD OSGOOD CEO

DATE

11/8/07

Subcontractor's Initials 

Ex 4
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Hydrogen Fuel Station
MCB Camp Pendleton
CORNERSTONE BUILDING GROUP PROJECT NO. 620

ATTACHMENT "B" TO SUBCONTRACT AGREEMENT NO. 620 -16100S

SUBCONTRACTOR: BAKER ELECTRIC

The following terms and conditions are hereby made part of this Contract:

The subcontractor is responsible for providing the necessary labor, material, and equipment as specified in this attachment, as well as the RFP, Revised Single Line Diagram added 2, 30 amp fusible disconnects and 1, 60 amp fusible disconnect and Gutter taps and contract documents attached to this subcontract.

1. Subcontractor shall provide all labor, materials, and equipment as necessary or incidental for the installation of all electrical work as shown and/or described in the Contract Documents and as more particularly, though not exclusively, in the Task Order Proposed Work Plan, Hydrogen Fuel Station.
2. Seal off at the fire alarm panel to fulfill the classified zone requirements as confirmed on site with Project Engineer.
3. Seal off the conduits prior to their entrance into the panels.
4. Connect to Government provided 1, 480-120/208Y XFMR, 36 KVA transformer.
5. Provide 208VAC/200 Amp, three phase line at the site. Estimated maximum continuous load is 32 kilowatts. Distance from source panel in the northeast maintenance bay of Building 21153 to the site is approximately 850 feet.
6. Provide conduits and other incidentals needed for Cosco Fire Protection for the installation of the fire alarm system. Coordination with Cosco Fire Protection as required to provide a fully operational system.
7. **Conductor:** Provide five wire circuits consisting of three hot wires, one neutral wire, and one ground. Minimum size wire shall be #4/0 or larger to keep voltage drop at 4% or less, or as otherwise required by the 2005 National Electric Code.
8. **Conduit:** Diameter of all piping shall meet the minimum size criteria for the specific wire and conductor type based on the NEC. Underground pipe to the site shall be schedule 80 PVC or another approved material. Aboveground indoor pipe at Building 21153 shall meet the NEC requirements for classified locations. (The northeast maintenance bay will be upgraded in the future to accommodate hydrogen vehicle maintenance, similar to the northwest maintenance bay.)
9. **Conduit Supports (Indoor):** Provide conduit run from the source panel shall be securely clamped and supported at least every 10 feet vertically and every 8 feet horizontally. Galvanized pipe straps shall be fastened to the building with bolts, screws, and anchors.
10. **Disconnect:** Install outdoor disconnect switches at Building 21153 and at the site prior to the new service panel.
11. **Meter:** Supply electronic kilowatt-hour (kWh) meter in order to monitor electrical usage from the new service panel. Meter shall record have 4-20 milliamp outputs to record hour usage or shall otherwise have capability to record hourly usage and store 90 days of time stamped usage. Meter shall conform to National Electronic Meter Accuracy Standards including American National Standards Institute (ANSI) C12.1 and C12.16. Install the meter adjacent to the main

Subcontractor's Initials

JD

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service panel at the site. Class 2000 KWH Meters by E-Mon are included in electrical subcontractor price.

12. **New Main Service Panel (Site):** Provide 208Y/120V 200 ampere NEMA 3R bottom feed service panel with 18 spaces. Install per manufacturer instructions. Provide single pole circuit breakers for one 100A, one 30A, two 20A, and two 50A circuits. Locate panel in the southeast corner of the site as shown, with vertical placement 5 feet to center. Secure panel by fastening to two lengths of 1 5/8" by 2 7/16" galvanized 12 gauge steel strut channel buried vertically a minimum of 3 feet in the ground and anchored with concrete, or as otherwise approved.
13. **Testing:** Conduct testing prior to covering electrical pipe in trenches and energizing circuits. Test insulation using a 500- or 1,000-volt insulation-resistance test set. Take readings every minute until three equal and consecutive readings are obtained. Resistance between phase conductors and between phase conductors and ground shall be 25 megohms minimum.
14. **Power Supply Receptacles:** Provide two 110VAC GFCI duplex outdoor receptacles on a separate 20 amp circuit to supply power for installation and setup activities.
15. All utilities work shall be overseen by a contractor licensed in their respective field of work (i.e., electrical and plumbing).
16. Subcontractor shall provide notification in advance of the intended work schedule to allow for oversite supervision by the on-site supervisory construction engineer at NAVFAC Southwest. Coordinate trenching schedule with NFESC and NAVFAC Southwest. Coordinate with Cosco Fire Protection for location of raceways and conduit for installation of a complete system as required.
17. Subcontractor shall dispose or remove all construction debris, including but not limited to leftover piping, wires, empty containers, and packaging. Disposal may occur at the base landfill or at another approved off-site location.
18. Subcontractor shall provide temp power including distribution boxes to job site buildings and structures from a temp power source as provided by Contractor.
19. Subcontractor shall be responsible for all safe-off, disconnection and removal of electrical equipment and utilities for all structures and equipment.
20. Subcontractor shall provide and install all straps, supports, hangers, Unistrut, restraints, or seismic bracing as necessary for Subcontractor's own installations. This includes light fixture hanger wires.
21. Subcontractor shall provide and install all brackets, bolts, cable trays, helix cables, fastenings, and/or pipe straps as required.
22. Subcontractor shall provide and install all anchoring/supporting devices as required in the Contract Documents.
23. ~~Subcontractor shall be responsible for cutting/patching of finished surfaces as necessary to complete Subcontractor's installations.~~
24. Subcontractor shall provide and install all fire-stopping sealant where electrical installations penetrate walls, floors, and ceilings to retain the integrity of those structures. Subcontractor shall also provide all fire rated blankets and enclosures for their own work where required.
25. ~~Subcontractor shall provide all power wiring, conduits, and connections for all control systems in accordance with the Contract Documents, regardless of voltage.~~
26. Subcontractor shall be responsible for coordination and final connections to primary and secondary power sources. Any electrical outages must be scheduled 10 days in advance and approved with the Contractor and Owner. In some cases, Subcontractor must provide a temporary power source such as a generator in order to allow continuous service to the Owner while the Subcontractor performs their scope of work. Should any delays or damages be incurred through lack of notice, coordination,

Subcontractor's Initials *JD*

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negligence, or inadequate planning, etc. those delays and or damages shall be the sole responsibility of the Subcontractor.

27. EXCLUSIONS:
Bonds

SUBCONTRACTOR:

BAKER ELECTRIC

SIGNATURE/TITLE

DATE

Group Manager

11/6/07

CONTRACTOR:

CORNERSTONE BUILDING GROUP

RICHARD OSGOOD, CEO

DATE

11/8/07

Subcontractor's Initials _____

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Bond Number: SDC00022
Premium: Included

PAYMENT BOND (See instructions on reverse)		DATE BOND EXECUTED (Must be same or later than date of contract) December 7, 2007		OMB No.: 9000-0045								
Public reporting burden for this collection of information is estimate to average 25 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the FAR Secretariat (MVR), Federal Acquisition Policy Division, GSA, Washington, DC 20405												
PRINCIPAL (Legal name and business address) Cornerstone Building Group 3590 Kettner Blvd. San Diego, CA 92101		TYPE OF ORGANIZATION (Check one) <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE <input checked="" type="checkbox"/> CORPORATION STATE OF INCORPORATION California										
SURETY(IES) (Name(s) and business address(es)) Western Insurance Company 580 E. Plumb Lane Reno, NV 89502		PENAL SUM OF BOND <table border="1"> <tr> <th>MILLION(S)</th> <th>THOUSAND(S)</th> <th>HUNDRED(S)</th> <th>CENTS</th> </tr> <tr> <td></td> <td>105</td> <td>022</td> <td></td> </tr> </table> CONTRACT DATE CONTRACT NO. 2007 Sep 12 N62473-07-D-6308-0017			MILLION(S)	THOUSAND(S)	HUNDRED(S)	CENTS		105	022	
MILLION(S)	THOUSAND(S)	HUNDRED(S)	CENTS									
	105	022										

OBLIGATION: Temporary Heads & Showers Facilities Range 130

We, the Principal and Surety(ies), are firmly bound to the United States of America (hereinafter called the Government) in the above penal sum. For payment of the penal sum, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally. However, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us. For all other purposes, each Surety binds itself, jointly and severally with the Principal, for the payment of the sum shown opposite the name of the Surety. If no limit of liability is indicated, the limit of liability is the full amount of the penal sum.

CONDITIONS:

The above obligation is void if the Principal promptly makes payment to all persons having a direct relationship with the Principal or a subcontractor of the Principal for furnishing labor, material or both in the prosecution of the work provided for in the contract identified above, and any authorized modifications of the contract that subsequently are made. Notice of those modifications to the Surety(ies) are waived.

WITNESS:

The Principal and Surety(ies) executed this payment bond and affixed their seals on the above date.

Cornerstone Building Group				PRINCIPAL	
SIGNATURE(S)	1.	2.	3.	(Seal)	Corporate Seal
	(Seal)	(Seal)	(Seal)		
NAME(S) & TITLE(S) (Typed)	1.	2.	3.	(Seal)	Corporate Seal
INDIVIDUAL SURETY(IES)					
SIGNATURE(S)	1.	2.			
	(Seal)	(Seal)			
NAME(S) (Typed)	1.	2.			
Western Insurance Company					
SURETY A	NAME & ADDRESS	580 E. Plumb Lane Reno, NV 89502		STATE OF INC.	LIABILITY LIMIT
				Nevada	\$ 1,302,000.00
	SIGNATURE(S)	1.	2.		
	NAME(S) & TITLE(S) (Typed)	1.	2.		
CORPORATE SURETY(IES)					
Corporate Seal					

AUTHORIZED FOR LOCAL REPRODUCTION
Previous edition is usable

STANDARD FORM 25A (REV. 10-98)
Prescribed by GSA-FAR (48 CFR) 53.2228(c)

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CORPORATE SURETY(IES) (Continued)					
SURETY B	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT	Corporate Seal
	SIGNATURE(S)	1.	2.		
	NAME(S) & TITLE(S) (Typed)	1.	2.		
SURETY C	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT	Corporate Seal
	SIGNATURE(S)	1.	2.		
	NAME(S) & TITLE(S) (Typed)	1.	2.		
SURETY D	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT	Corporate Seal
	SIGNATURE(S)	1.	2.		
	NAME(S) & TITLE(S) (Typed)	1.	2.		
SURETY E	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT	Corporate Seal
	SIGNATURE(S)	1.	2.		
	NAME(S) & TITLE(S) (Typed)	1.	2.		
SURETY F	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT	Corporate Seal
	SIGNATURE(S)	1.	2.		
	NAME(S) & TITLE(S) (Typed)	1.	2.		
SURETY G	NAME & ADDRESS		STATE OF INC.	LIABILITY LIMIT	Corporate Seal
	SIGNATURE(S)	1.	2.		
	NAME(S) & TITLE(S) (Typed)	1.	2.		

INSTRUCTIONS

1. This form, for the protection of persons supplying labor and material, is used when a payment bond is required under the Act of August 24, 1935, 49 Stat. 793 (40 U.S.C. 270a-270e). Any deviation from this form will require the written approval of the Administrator of General Services.

2. Insert the full legal name and business address of the Principal in the space designated "Principal" on the face of the form. An authorized person shall sign the bond. Any person signing in a representative capacity (e.g., an attorney-in-fact) must furnish evidence of authority if that representative is not a member of the firm, partnership, or joint venture, or an officer of the corporation involved.

3. (a) Corporations executing the bond as sureties must appear on the Department of the Treasury's list of approved sureties and must act within the limitation listed therein. Where more than one corporate surety is involved, their names and addresses shall appear in the spaces (Surety A, Surety B, etc.) headed "CORPORATE SURETY(IES)." In the space

designated "SURETY(IES)" on the face of the form, insert only the letter identification of the sureties.

(b) Where individual sureties are involved, a completed Affidavit of Individual Surety (Standard Form 28) for each individual surety, shall accompany the bond. The Government may require the surety to furnish additional substantiating information concerning their financial capability.

4. Corporations executing the bond shall affix their corporate seals. Individuals shall execute the bond opposite the word "Corporate Seal", and shall affix an adhesive seal if executed in Maine, New Hampshire, or any other jurisdiction requiring adhesive seals.

5. Type the name and title of each person signing this bond in the space provided.



Job 11143

SUBCONTRACT NO. 633-16100S

SUBCONTRACT

(Long Form Subcontract between General Contractor & Subcontractor)

This Subcontract is entered into on September 21, 2007 at San Diego California by and between Cornerstone Building Group ("Contractor"), with its principal office at 3590 Kettner Blvd San Diego California 92101 and Baker Electric Inc. ("Subcontractor") with its principal office at 1298 Pacific Oaks Place, Escondido, California, 92029.

Contractor has entered into a contract with the following Owner:

NAVFAC Southwest
Camp Pendleton ROICC/CODE ROPCN
Marine Corps Base Camp Pendleton
PO BOX 555229 Bldg 22101
Camp Pendleton, CA 92055-5229

To perform certain construction work identified as:

8A JOC, Temp Heads and Showers at Range 130
NAVFAC SOUTHWEST, CAMP PENDLETON ROICC
MCB, CAMP PENDLETON
N62473-07-D-6308-0017

RECEIVED

DEC 03 2007

CORNERSTONE B G

This Subcontract has important legal and insurance consequences. Consultation with an attorney and insurance consultant is encouraged with respect to its completion or modification.

RECEIVED

DEC 21 2007

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CORNERSTONE B G

BA

SUBCONTRACT

TABLE OF ARTICLES

SUBCONTRACT PRICE
SUBCONTRACT DOCUMENTS
SCOPE OF SUBCONTRACT WORK
SURETY BONDING
PERFORMANCE OF WORK
SUBCONTRACT INTERPRETATION
CONTRACTOR'S OBLIGATIONS
SUBCONTRACTOR'S OBLIGATIONS
LABOR RELATIONS
INSURANCE
INDEMNIFICATION
CHANGES
DELAYS
CLAIMS
DISPUTES RESOLUTION
PAYMENT
RECOURSE BY CONTRACTOR
TERMINATION
SUSPENSION OF WORK
ASSIGNMENT OF SUBCONTRACT

The titles given to the Articles and paragraphs of this Subcontract are for ease of reference only and shall not be relied upon or cited for any other purpose.

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ARTICLE 1 SUBCONTRACT PRICE

1.1 As full compensation for satisfactory performance of the Subcontract, Contractor agrees to pay Subcontractor in the manner described below, subject to all provisions of the Subcontract:

- (a) the firm fixed-price of Ten Thousand Dollars (\$10,000.00) subject to additions and deductions as provided for in the Subcontract; and/or
- (b) unit prices in accordance with the attached Unit Prices and estimated quantities; and/or
- (c) time and material rates and prices in accordance with the attached Labor and Material Costs; and/or
- (d) other, as identified in an attachment.

The firm fixed-price, unit prices, time and material rates and prices and/or other identified manner of payment are referred to as the "Subcontract Price."

ARTICLE 2 SUBCONTRACT DOCUMENTS

2.1 The Subcontract Documents, in order of precedence, consist of the following:

2.1.1 The executed Subcontract between Contractor and Subcontractor, including Attachment Nos. A and B, which are incorporated at this point as if fully set forth.

2.1.2 The Contract, consisting of the entire and integrated Agreement between Owner and Contractor, as more particularly though not exclusively specified in the General, Special, Supplementary and other Conditions, Drawings, Specifications, Addenda, reference standards or provisions of any nature.

2.2 Subcontractor certifies and agrees that it is fully familiar with all of the terms, conditions and obligations of the Subcontract Documents, the location of the job site, and the conditions under which the work is to be performed, and that it enters into this Subcontract based upon its investigation of all such matters and is in no way relying upon any opinions or representations of Contractor. It is further agreed that the Contract is incorporated into this Subcontract with the same force and effect as if it was set forth in full, and that Subcontractor and its subcontractors are bound by all terms of the Contract as they relate in any way, directly or indirectly, to the work covered by this Subcontract. Subcontractor agrees to be bound to Contractor in the same manner and to the same extent as Contractor is bound to Owner under the Contract. The Contract is defined above and includes but is not limited to the following documents:

- Attached Task Order Proposed Work Plan

2.3 Upon written request by Subcontractor, Contractor shall provide to Subcontractor at Subcontractor's expense, one copy of all portions of the Contract in the Contractor's possession. However, neither this article nor any other shall obligate Contractor to obtain for Subcontractor copies of any portion of the Contract not in the possession of Contractor, and Subcontractor shall not be excused from performance of its work because it does not have such documents. Upon written request by its subcontractors and suppliers, Subcontractor similarly shall make one copy of applicable portions of the Subcontract Documents available

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to its subcontractors and suppliers. Nothing shall prohibit Subcontractor from obtaining a copy of the executed Contract from Contractor at any time after the Subcontract is executed.

2.4 Nothing in the Subcontract shall be construed to create a contractual relationship between persons or entities other than Contractor and Subcontractor.

ARTICLE 3 SCOPE OF SUBCONTRACT WORK

3.1 Independent Contractor – Subcontractor shall provide all labor, materials, equipment and services necessary or incidental to perform its work as an “independent contractor,” in accordance with the Subcontract Documents.

3.2 Subcontract Work – Subcontractor shall perform the following scope of work:

(See Attachment B)

3.3 Temporary Services – Contractor will provide to Subcontractor the following temporary services at the project site during the performance of this Subcontract at no charge to Subcontractor:

NONE

Subcontractor will provide, at its own expense, all other necessary temporary services for the completion of its work.

ARTICLE 4 SURETY BONDING

4.1 Copy of Contractor Bonds – Subcontractor is entitled to receive from Contractor, upon written request, copies of any payment and performance bonds furnished by Contractor for the project.

4.2 Subcontractor Bonds – Subcontractor surety bond requirements, if any, are as follows:

Subcontractor Performance and Payment Bond

☐ Required ☒ Not Required

4.2.1 If a performance or payment bond, or both, are required of Subcontractor, such bonds shall name Contractor as obligee, be in the full amount of the Subcontract Price, and shall be in a form and by a surety acceptable to Contractor. The premiums for such bonds are not included in the Subcontract Price, the cost shall be added as a change order to the contract documents upon final determination.

4.2.2 In the event Subcontractor shall fail to provide any required bonds within 10 days of Contractor's written notification to do so, Contractor may terminate this Subcontract for cause. All costs and expenses incurred by Contractor as a result of such a termination shall be paid by Subcontractor in accordance with the termination for cause article of the Subcontract.

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4.2.3 No change, directive, clarification or communication regarding this Subcontract, whether made in the manner specified in the Subcontract or not, shall release or exonerate, in whole or in part, any surety on any bond given in connection with this Subcontract and neither Owner nor Contractor shall be under any obligation to notify the surety or sureties of any change, directive, clarification or communication with Subcontractor.

ARTICLE 5 PERFORMANCE OF WORK

5.1 Schedule of Work – Subcontractor may provide Contractor with scheduling information it proposes for its work. If the information is provided 5 days before Contractor is required to submit the schedule to Owner or to proceed with the work, Contractor will consult with Subcontractor regarding such information and, if possible, incorporate the same into the schedule to Owner.

5.1.1 Contractor shall prepare the schedule for performance of the Contract and Subcontract (“progress schedule”) and may revise and update the progress schedule as the work progresses. It shall be Subcontractor’s obligation to conform to the progress schedule, as updated by Contractor. Subcontractor understands that all field work must be completed within 6 weeks. All work must be completed no later than December 15, 2007. Subcontractor will provide adequate manpower, materials & equipment to meet this schedule. Subcontractor shall prepare and obtain approval as required by the Contract for all shop drawings, details, samples; shall perform any required Subcontractor testing; and do all other things necessary and incidental to the prosecution of the Subcontract in order to comply with the progress schedule. Subcontractor shall coordinate the work covered by this Subcontract with Contractor and all other subcontractors with whom Subcontractor must interface for the proper and timely completion of Subcontractor’s work. Contractor shall have the right to decide the time and order in which the various portions of the work shall be installed, the priority of the work of other subcontractors, and, in general, all matters representing the timely and orderly performance of the work of Subcontractor on the project.

5.1.2 Contractor shall have the right to determine and, if necessary, change the time, order and priority in which the various portions of the work shall be performed and all other matters relative to the timely and orderly performance of Subcontractor’s work. Subcontractor shall be reasonably notified of all subsequent changes and additional details to the progress schedule. Both Contractor and Subcontractor shall be bound by the updated progress schedule.

5.2 Subcontract Performance – Subcontractor shall use its best care, skill and diligence in supervising, directing and performing its work. Subcontractor shall have responsibility and control over the performance of its work, including the construction methods, techniques, means and sequences for coordinating and completing the various portions of its work.

5.3 Use of Contractor’s Equipment – Subcontractor, its agents, employees, subcontractors or suppliers shall use Contractor’s equipment only with the express written permission of Contractor’s designated representative and in accordance with Contractor’s terms and conditions for such use.

5.4 Time is of The Essence – Time is of the essence for both parties, and they mutually agree to ensure the performance of their respective work and the work of their subcontractors and suppliers so that the entire project may be completed in accordance with the Contract and the updated progress schedule.

ARTICLE 6

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SUBCONTRACT INTERPRETATION

6.1 Inconsistencies and Omissions – Should inconsistencies or omissions appear in the Contract, it shall be the duty of Subcontractor to so notify Contractor in writing within three (3) working days of Subcontractor's discovery. Upon receipt of such notice, Contractor shall inform Subcontractor as to the measures to be taken and Subcontractor shall comply with Contractor's instructions. If Subcontractor performs work knowing it to be contrary to any applicable laws, statutes, ordinances, building codes, rules or regulations without notice to Contractor and advance approval by appropriate authorities, including Contractor, then Subcontractor shall assume full responsibility for such work and shall bear all associated costs, charges, fees and expenses necessarily incurred to remedy the violation(s).

6.2 Disputes Over Responsibility For Performance – Subcontractor agrees that in the event a dispute should occur between Subcontractor and another subcontractor or Contractor as to who has the responsibility to perform a particular item of work or repair damage to any particular item of work, the determination of who shall perform the work shall be made by Contractor.

6.3 Law and Effect – The Subcontract shall be governed by the law of the State in which the project is located.

6.4 Severability and Waiver – The partial or complete invalidity of any one or more provisions of this Subcontract shall not affect the validity or continuing force and effect of any other provision. The failure of either party to insist, in any one or more instances, upon the performance of any of the terms, covenants or conditions of the Subcontract, or to exercise any right provided to it, shall not be construed as a waiver or relinquishment of such term, covenant, condition or right with respect to further performance.

6.5 Recoverable Fees and Costs – Should either party institute suit or demand arbitration to enforce any of the provisions of the Subcontract, to protect its interests in any manner arising under the Subcontract, or to recover on a surety bond furnished by a party to the Subcontract, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs, charges, and expenses (including expert fees and testing) expended or incurred.

6.6 Titles – The titles given to the Articles and paragraphs of the Subcontract, and the order of their placement, are for ease of reference only and shall not be relied upon or cited for any other purpose.

6.7 Entire Agreement – The Subcontract is solely for the benefit of the signatories and represents the entire and integrated agreement between the parties and, unless specifically stated otherwise, supersedes all prior negotiations, representations or agreements, either written or oral.

6.8 Waiver of Any Breach – Waiver of any breach, alleged breach, provision, covenant or condition of the Subcontract by Contractor shall not be construed as a waiver of the same or any other provision of the Subcontract on any other occasion, nor shall such waiver serve as an estoppel of any other right Contractor may have. Should any provision in the Subcontract, or its attachments, be held or declared void or invalid, all other provisions shall remain in full force and effect.

ARTICLE 7
CONTRACTOR'S OBLIGATIONS

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7.1 Authorized Representative – Contractor shall designate one or more persons who shall be Contractor's authorized representative(s) on-site and off-site. Such authorized representative(s) shall be the only person(s) Subcontractor shall look to for instructions, orders and/or directions, except in an emergency.

7.2 Lay Down Areas – If available, Contractor shall allocate to Subcontractor area(s) for Subcontractor's material and equipment during performance of the Subcontract.

7.3 Timely Communications – Contractor shall, with reasonable promptness, transmit to the appropriate parties all submittals, transmittals and written approvals relating to Subcontractor's work. Communications by and with Subcontractor's subcontractors and suppliers shall be through Subcontractor.

7.4 Backcharges For Services Rendered or Materials Furnished – Contractor agrees that backcharges for services rendered or materials furnished to Subcontractor shall not be valid unless Contractor gives Subcontractor written notice prior to the furnishing of the services and/or materials, except in an emergency affecting the safety of persons or property.

7.4.1 If requested in writing by Subcontractor, Contractor shall provide written compilations of the charges relating to such services or materials by the last day of the month following that in which the services are rendered or materials are furnished.

7.5 Layout Responsibility and Levels – Contractor shall establish principal axis lines and elevations of the structures and site. Subcontractor shall layout and be strictly responsible for the accuracy of Subcontractor's work and for any loss or damage to Contractor or others by reason of Subcontractor's failure to set out or perform its work correctly. Subcontractor shall exercise prudence so that the actual final conditions and details of its work shall result in alignment of finish surfaces.

7.6 Owner Ability to Pay – Subcontractor shall have the right to review with Contractor all information that Contractor has obtained relative to Owner's financial ability to pay for the Contract work.

ARTICLE 8 SUBCONTRACTOR'S OBLIGATIONS

8.1 Responsibilities – Subcontractor shall furnish all labor, materials, equipment and services necessary or incidental to perform its work in accordance with the Subcontract Documents. If requested by Contractor, Subcontractor shall provide to Contractor a list of its proposed subcontractors and suppliers.

8.2 Compliance with Laws, Rules, Ordinances and Regulations – Subcontractor shall, at its sole cost and expense, and without increase in the Subcontract Price, comply with all laws, rules, ordinances and regulations of all governing bodies having jurisdiction over the work, pay all manufacturers' taxes, sales taxes, use taxes, and all federal and state taxes, insurance and contribution for Social Security and unemployment which are measured by wages, salaries or other remunerations paid to Subcontractor's employees, whether levied under existing or subsequently enacted laws, rules or regulations.

8.2.1 Subcontractor shall give adequate notices to all required parties pertaining to Subcontractor's work and secure and pay for all permits, fees, licenses, assessments, and inspections necessary to complete its work in accordance with the Subcontract Documents.

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8.2.2 Subcontractor shall be compensated for additional costs resulting from laws, ordinances, rules, regulations and taxes enacted after the date of the Contract only to the extent such additional costs are paid to Contractor by Owner.

8.3 Site Visitation – Subcontractor acknowledges that it has visited the project site and visually inspected the general and local conditions which could affect its work. Any failure of Subcontractor to reasonably ascertain, from a visual inspection of the site, the general and local conditions which could affect its work will not relieve Subcontractor from its responsibility to properly complete its work without change in the Subcontract Price.

8.4 Shop Drawings, Samples, Product Data and Manufacturers' Literature – Subcontractor shall promptly submit to Contractor for approval all shop drawings, samples, product data, manufacturers' literature and similar submittals required by the Contract. Subcontractor shall be responsible to Contractor for the accuracy and conformity of its submittals to the Contract requirements. Subcontractor shall prepare and deliver its submittals to Contractor in a manner consistent with the progress schedule and in such time and sequence so as not to delay Contractor or others in the performance of the Contract work. The approval of any Subcontractor submittal shall not be deemed to authorize deviations, substitutions or changes in the requirements of the Subcontract Documents unless express written approval is obtained from Contractor and Owner authorizing such deviation, substitution or change. In the event the Contract does not contain submittal requirements pertaining to Subcontractor's work, Subcontractor agrees upon request to submit to Contractor in a timely fashion for approval any shop drawings, samples, product data, manufacturers' literature or similar submittals as may reasonably be required.

8.4.1 Contractor, Owner and Architect are entitled to rely on the accuracy and completeness of any professional certifications required by the Subcontract Documents concerning the performance criteria of systems, equipment or materials, including all calculations and any governing performance requirements.

8.5 Coordination and Cooperation – Subcontractor shall:

- (a) cooperate with Contractor and all others whose work may interface with Subcontractor's work;
- (b) specifically note and immediately notify Contractor of any interference with Subcontractor's work; and
- (c) participate in the preparation of coordination drawings and work schedules involving Subcontractor's work.

8.6 Authorized Representative – Subcontractor shall designate in writing one or more competent contractor-approved persons who shall be the authorized Subcontractor representative(s) on-site and off-site. Such authorized representative(s) shall be the only person(s) to whom Contractor shall issue instructions, orders or directions, except in an emergency.

8.7 Communications – Subcontractor communications by and with Owner, Architect, separate contractors and/or other subcontractors and suppliers of Contractor, regardless of tier, shall be through Contractor.

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8.8 Tests, Inspections and Approvals – Subcontractor shall coordinate and notify Contractor of all required tests, inspections and approvals of Subcontractor's work so as not to delay the performance of the work. Subcontractor shall schedule and provide proper written notice to all required parties of such tests, inspections and approvals.

8.9 Workmanship – Every part of Subcontractor's work shall be executed in accordance with the Subcontract Documents in a workmanlike manner. All materials needed by Subcontractor shall be furnished in sufficient quantities to facilitate the proper and expeditious execution of the work, and shall be new except such materials as may be expressly provided in the Subcontract Documents to be otherwise.

8.10 Materials or Equipment Furnished by Others – In the event the scope of Subcontractor's work includes installation of materials or equipment furnished by others, it shall be the responsibility of Subcontractor to inventory, examine, store and install the items, with such skill and care as to ensure a satisfactory and proper installation. Subcontractor shall promptly notify Contractor in writing of any defective materials or equipment.

8.11 Substitutions – No substitutions shall be made by Subcontractor unless permitted in the Subcontract Documents and only then upon Subcontractor first receiving all approvals required under the Subcontract Documents for substitutions. If Subcontractor initiates a substitution, deviation or change in the work which affects the scope of the work or the expense of other trades, Subcontractor shall be liable for all resulting expenses.

8.12 Warranty – Subcontractor warrants all materials and workmanship and agrees to replace at its sole cost and expense, and to the satisfaction of Contractor, any materials that are defective or improperly installed, and indemnifies Contractor from and against any liability, loss or damage arising from or relating to such materials and installation through the period of Subcontractor's performance and for a period of one year from completion of the Contract. If the period of warranty is specified in excess of one year by the Contract, Subcontractor shall be bound for the longer period specified.

8.13 Uncovering of Work – If required in writing by Contractor, Subcontractor must uncover any portion of its work which has been covered. All costs associated with the uncovering and related work shall be borne as follows:

- (a) If the work was covered in violation of the Subcontract Documents or contrary to a written directive issued to Subcontractor by Contractor, the uncovering, any corrective work and restoration shall be at Subcontractor's expense.
- (b) If the work was not covered in violation of the Subcontract Documents or contrary to a written directive issued to Subcontractor by Contractor, the Subcontract shall be adjusted by change order for all costs of uncovering and restoring any work which proves to be installed in accordance with the Subcontract Documents.
- (c) If any uncovered work does not comply with the Subcontract Documents and Subcontractor is responsible for the nonconforming condition, Subcontractor shall be responsible for all costs of uncovering, correcting and restoring the work so as to make it conform to the Subcontract Documents.

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8.14 Correction of Work – Subcontractor is required to correct in a timely fashion any of its work rejected by Contractor or Owner for failing to comply with the Subcontract Documents whether observed prior to the commencement of the warranty period(s) or during the warranty period(s). Subcontractor shall correct at its own cost and bear the expense of additional services for any nonconforming work for which it is responsible, and shall remain responsible even after the warranty period for fraud, misrepresentation or latent defects.

8.15 Cleanup – Subcontractor shall follow Contractor's cleanup directions, and:

- (a) at all times keep the building and premises free from debris resulting from Subcontractor's work;
- (b) broom or rake clean each work area prior to discontinuing work in each area; and
- (c) Subcontractor's work shall not be considered complete until Subcontractor removes from the site all temporary structures, debris and waste incident to its operation and cleans all surfaces, fixtures, equipment, etc., relative to the performance of its work.

If Subcontractor fails to immediately commence compliance with the above cleanup duties after written notification from Contractor of noncompliance, Contractor may implement appropriate cleanup measures without further notice and deduct the resulting costs from any amounts due or to become due Subcontractor under the Subcontract.

8.16 Safety – Subcontractor is responsible for prevention of accidents arising from or relating to its work. Subcontractor shall comply fully with all federal, state and local laws, orders, citations, rules, regulations, standards and statutes affecting or relating to the Subcontract or its performance. Subcontractor shall comply with the accident prevention and safety program of Owner and Contractor. Establishment of a safety program by Contractor shall not relieve Subcontractor of its safety responsibilities. Subcontractor shall establish its own safety program implementing safety measures, policies and standards conforming to those required by governmental authorities having jurisdiction and by Contractor and Owner. Subcontractor shall notify Contractor immediately following an accident and promptly confirm the notice in writing. A detailed written report shall be furnished to Contractor. Subcontractor shall indemnify and hold Contractor harmless from all fines, penalties or costs of abatement imposed on Contractor as a result of safety violations caused by Subcontractor's failure to comply with applicable safety requirements. Subcontractor shall notify Contractor of any unsafe condition it discovers or observes and shall stop work until informed by Contractor that it may resume work.

8.16.1 Should Subcontractor encounter any hazardous substances at the site which are potentially harmful to persons or property, Subcontractor shall take all steps required by the Subcontract Documents and by law to protect persons and property from injury or damage, including stopping Subcontractor's work in the affected area(s) and promptly notifying Contractor in writing of the conditions encountered at the site. Should Subcontractor be required to stop work in any area of the project as a result of hazardous substances located at the site, Subcontractor shall not resume work in the affected area(s) until the hazardous substances have been removed or made harmless, all necessary approvals to resume work are obtained and Contractor gives Subcontractor written direction to resume work.

8.16.2 All safety sheets, plans, submittals or other such documents required by law or the Subcontract Documents pertaining to materials or substances used or consumed in the performance of Subcontractor's

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work shall be submitted to Contractor by Subcontractor. Any such safety sheets, plans or submittals obtained by Contractor from other subcontractors or sources shall be made available to Subcontractor by Contractor.

8.17 Delegation or Subcontracting of Duties – Subcontractor is prohibited from delegating, transferring, conveying, subcontracting, relinquishing or otherwise disposing of the whole or any part of its duties under this Subcontract without the prior written approval of Contractor, which shall not be unreasonably withheld. Lower-tier subcontractors approved by Contractor on or before the effective date of the Subcontract may be listed below:

Subcontractor shall incorporate all terms of this Subcontract in any subcontracts or purchase orders with its subcontractors and suppliers.

8.18 Duty to Proceed – In the event of any dispute or controversy with Contractor, another subcontractor or other third party involved with the project, Subcontractor shall not cause or permit any delay or cessation of its work or cause delay or disruption to the work of any other subcontractor or Contractor on the project, but shall proceed with performance of its work pending resolution of such dispute or controversy. Contractor shall continue to make payments in accordance with the Subcontract.

8.19 Force Account Work – When directed in writing by Contractor, Subcontractor shall perform such additional work as directed by Contractor and Contractor shall pay to Subcontractor the actual costs of such directed work plus Subcontractor's overhead and profit at a combined rate of 15% of such actual costs. This provision shall not apply to Owner directed force account work or disputed work.

8.20 Workers – Contractor may order the removal from the job of any workers Contractor reasonable finds disruptive, incompetent, in violation of safety requirements/programs or otherwise detrimental to the successful completion of the project.

8.21 Contractor Expending Money – Whenever any money is expended or costs or expenses are incurred by Contractor on behalf of or on account of Subcontractor, which amounts Subcontractor should have paid, and for which amounts Subcontractor is required to reimburse Contractor, or if Contractor continues or completes the work after default by Subcontractor, Subcontractor shall pay to Contractor interest at the rate of 10% per annum from the time said money is expended or said costs or expenses are incurred until those amounts are repaid to Contractor by Subcontractor. Nothing contained in this provision or Subcontract shall be construed as requiring Contractor to make any such expenditures, advance any such money, or incur any such expenses. In the event that the balance of the monies due pursuant to this Subcontract are insufficient to cover Contractor's damages or exposure, then Contractor shall have the right to offset against monies owed Subcontractor on other projects, if any.

8.22 Protection of the Work – Subcontractor shall secure and protect the work done pursuant to this Subcontract until final acceptance by Contractor and Owner.

ARTICLE 9 LABOR RELATIONS

9.1 General Provisions – Employment of labor by Subcontractor shall be effected under conditions which are satisfactory to Contractor. Subcontractor shall keep a representative at the job site during all times when

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Subcontractor's work is in progress, and such representative shall be authorized to represent Subcontractor as to all phases of the work. Prior to commencement of the work, Subcontractor shall notify Contractor in writing who Subcontractor's representative is to be, and in the event of any change of representative Subcontractor shall notify Contractor who the new representative is to be prior to such change becoming effective.

9.1.1 Subcontractor acknowledges that Contractor has entered into labor agreements covering work at its construction job sites with the following labor unions: N/A. If requested by Subcontractor, Contractor shall provide copies of all such labor agreements to Subcontractor. Subcontractor agrees to comply with all of the terms and conditions of those labor agreements set forth above. Subcontractor agrees, at its own expense, upon request of Contractor, to take all lawful steps to secure a binding and final determination of any jurisdictional dispute by the National Labor Relations Board.

9.1.2 Subcontractor will require all of its subcontractors and their subcontractors performing job site work to comply with the labor agreements specified above, and labor agreements which are binding upon them.

9.1.3 Subcontractor will indemnify and hold Contractor harmless from and against any liability, loss, damage, cost, claims, awards, judgments, fines, expenses, including litigation expenses, reasonable attorneys' fees and any other costs which may be incurred by Contractor resulting from Subcontractor's failure to comply with the above requirements.

9.2 Reserved Gate Usage – Subcontractor shall notify in writing and assign its employees, materialmen and suppliers to such gates or entrances as may be established for their use by Contractor and in accordance with such conditions and at such times as may be imposed by Contractor. Strict compliance with Contractor's gate usage procedures shall be required by Subcontractor who shall be responsible for such gate usage by its employees, materialmen, suppliers, subcontractors, and their materialmen and suppliers.

9.3 Staggered Days and Hours of Work and for Deliveries – Subcontractor shall schedule the work and the presence of its employees at the job site and any deliveries of supplies or materials by its materialmen and suppliers to the job site on such days, and such times and during such hours, as may be directed by Contractor. Subcontractor shall assume responsibility for such schedule compliance not only for its employees but for all its materialmen, suppliers and subcontractors, and their materialmen and suppliers.

9.4 Work Stoppages – Work stoppages (including sympathy strikes) or any other stoppage of work by employees performing work on, or delivering supplies or materials to, the job site shall not excuse any delay of Subcontractor in the proper performance of its work, regardless of whether the strike or other stoppage of work is attributed to union action or the action of an individual employee.

9.5 Default – Should Subcontractor default in the proper performance of its work, for reasons specified in this provision, Contractor may, as its option, terminate the Subcontract for cause in accordance with the termination for cause provision.

ARTICLE 10 INSURANCE

10.1 Subcontractor's Insurance – Prior to start of its work, Subcontractor shall procure for its work and maintain in force Workers' Compensation Insurance, Employer's Liability Insurance, Comprehensive

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Automobile Liability Insurance, Comprehensive or Commercial General Liability Insurance on an occurrence basis, and any other insurance required of Subcontractor by the Subcontract Documents. Contractor shall be named as additional insured on each of these policies except for Workers' Compensation. Subcontractor shall also name as additional insured all other parties identified in the Contract to be so named. Subcontractor's insurance shall include contractual liability insurance covering Subcontractor's obligations under the Subcontract, including all indemnification provisions included in the Subcontract. Subcontractor shall provide completed operations coverage and maintain the same in full force for the duration of Subcontractor's work.

10.2 Minimum Limits of Liability – Subcontractor's Comprehensive or Commercial General Liability Insurance and Comprehensive Automobile Liability Insurance shall be written with limits of liability which meet the requirements set forth in the Contract, but at a minimum are not less than the following:

A. Comprehensive General Liability Insurance including completed operations:

- | | | |
|----|---|--|
| 1. | Combined Single Limit
Bodily Injury and
Property Damage | \$1 million for each occurrence
\$1 million aggregate |
| | or | |
| 2. | Bodily Injury | \$1 million for each occurrence
\$1 million aggregate |
| 3. | Property Damage | \$1 million for each occurrence
\$1 million aggregate |

B. Commercial General Liability Insurance:

- | | | |
|----|---|---------------------------------|
| 1. | Each Occurrence
Limit | \$1 million |
| 2. | General Aggregate | \$2 million |
| 3. | Products/Completed
Operations Aggregate | \$2 million |
| 4. | Personal and
Advertising Injury
Limit | \$1 million for each occurrence |

C. Comprehensive Automobile Liability Insurance:

- | | | |
|----|---|---------------------------------|
| 1. | Combined Single Limit
Bodily Injury and
Property Damage | \$1 million for each occurrence |
| | or | |

2. Bodily Injury \$1 million for each person
\$1 million for each occurrence
3. Property Damage \$500,000.00 aggregate

10.3 Cancellation, Renewal or Modification – Subcontractor shall maintain in effect all insurance coverage required under the Subcontract at Subcontractor's sole expense and with insurance companies rated as required by Owner but no less than a Best rating of A- or better. All insurance policies shall contain a provision that the coverages afforded shall not be canceled or not renewed, nor restrictive modifications added, until at least thirty (30) calendar days' prior written notice has been given to Contractor. Certificates of Insurance and additional insured endorsements shall be filed with Contractor prior to the commencement of Subcontractor's work. In the event Subcontractor fails to obtain or maintain any insurance coverage required under the Subcontract, Contractor may purchase such coverage and charge its expense to Subcontractor, or terminate the Subcontract for cause in accordance with the termination for cause provision of the Subcontract.

10.4 Builders Risk Insurance – Builder's Risk Insurance

- ☐ Is provided by Contractor
- ☐ Is provided by Owner
- ☒ Is not provided by Contractor or Owner

If Builder's Risk Insurance is provided by Contractor or Owner, upon written request by Subcontractor, Contractor shall provide Subcontractor with a copy of the Builder's Risk policy of insurance.

10.4.1 If Builder's Risk Insurance is provided by Owner or Contractor, then Contractor and Subcontractor waive all rights against each other and Owner, Architect, Architect's consultants and agents or employees of any of them, separate contractors, and all other subcontractors for loss or damage to the extent covered by Builder's Risk, except such rights as they may have to the proceeds of such insurance. However, this waiver shall not extend to the acts or omissions of Architect, Architect's consultants, and the agents or employees of any of them.

10.5 Endorsement – If the policies of insurance referred to in this Article require an endorsement to provide for continued coverage where there is a waiver of subrogation, the owners of such policies will cause them to be so endorsed.

ARTICLE 11 INDEMNIFICATION

11.1 General Indemnity – All work covered by the Subcontract done at the site of construction or in preparing or delivering materials or equipment, or any or all of them, to or from the site shall be at the risk of Subcontractor exclusively. To the fullest extent permitted by law, Subcontractor shall, with respect to all work which is covered by or incidental to the Subcontract, indemnify, hold harmless and defend Contractor from and against any and all allegations, losses, claims, actions, demands, damages, liabilities, or expenses (including costs, expenses and attorneys' fees), arising from or relating to the death or bodily injury to persons, injury to property, design defects (if design originated by Subcontractor), or other loss, damage or expense. Subcontractor's duty to indemnify shall include all damages caused or alleged to be caused in whole or in part by any negligent act or omission, whether active or passive, of: (a) Subcontractor; (b)

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anyone directly or indirectly employed by Subcontractor; (c) anyone for whose acts Subcontractor may be liable; or (d) Contractor. Subcontractor shall not be obligated to indemnify Contractor with respect to the sole negligence or willful misconduct of Contractor, its agents, servants or subcontractors who are directly responsible to Contractor, excluding Subcontractor.

11.1.1 However, if Owner does not require Contractor to provide a Type I indemnity to Owner (i.e., only Owner's sole negligence and willful misconduct are excluded from the indemnity), paragraph 11.1 shall not apply and Subcontractor's indemnity to Contractor shall be the same indemnity Contractor is required to provide to Owner. In such event, Subcontractor agrees to Owner's indemnity provision with the substitutions of "Contractor" for "Owner" and "Subcontractor" for "Contractor."

11.2 Indemnification for Noncompliance With Laws – Subcontractor shall fully indemnify and hold Contractor harmless from all loss, costs and expenses attributable to any acts or omissions by Subcontractor which constitute a failure to comply with any laws, rules, ordinances and / or regulations of any governmental entity or agency.

11.3 Patents – Subcontractor shall pay all royalties and license fees which may be due on the inclusion of any patented materials in Subcontractor's work. Subcontractor shall defend all suits for claims for infringement of any patent rights arising out of Subcontractor's work, which may be brought against Contractor or Owner, and shall be liable to Contractor and Owner for all loss, including all costs, expenses and attorneys' fees in any such suit.

ARTICLE 12 CHANGES

12.1 Performance – Subcontractor shall proceed with all written directions issued by Contractor so as not to delay the work. Subcontractor shall adhere strictly to the Subcontract Documents unless directed otherwise in writing. Subcontractor shall not make any changes to the work set forth in the Subcontract Documents, either as additions or deletions, without the written direction of Contractor.

12.2 Incorporating Changes – All provisions of this Subcontract shall apply to any changes or extras in a like manner and to the same extent as though said changes or extras were incorporated in the Subcontract.

12.3 Notification of Additional Costs or Time – Subcontractor shall immediately provide written notification to Contractor if a written direction could result in additional costs or time of performance so that Contractor has sufficient time to take actions to minimize any additional costs or time, and has sufficient time to provide notification to Owner in accordance with the Contract.

12.4 Submission of Cost Proposals and Requests For Time Extensions – Subcontractor shall submit its cost proposal(s) in sufficient time for Contractor to comply with any submission requirements of Owner. All such cost proposals shall itemize, in a form acceptable to Contractor, any change in costs or time for performance which result from any written direction issued by Contractor.

12.5 Cost Proposal Negotiations – At Subcontractor's request, it shall be invited to attend and participate in all negotiations with Owner or others that relate to settlement or resolution of its cost proposals. At Contractor's request, Subcontractor shall attend and participate in negotiations with Owner or others that relate to settlement or resolution of Subcontractor's cost proposals.

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ARTICLE 13 DELAYS

13.1 Excusable Delays – An excusable delay is one which is caused by circumstances or events beyond the control and without the fault or negligence of Contractor or Subcontractor, and which is recognized by the Contract as “excusable,” that is, a delay for which the contract time is extended but for which no compensation is allowed. To the extent excusable delays occur and affect Contractor’s and/or Subcontractor’s ability to complete their work in accordance with the updated progress schedule, the affected party’s time for performance shall be extended, but only to the extent such extensions are allowed by Owner.

13.2 Subcontractor Caused Delays – Subcontractor caused delays are delays caused by the failure of Subcontractor, or any party for which Subcontractor is responsible, to perform any portion of its work in accordance with the updated progress schedule. If Subcontractor delays cause delay and/or disruption to the Contract work, Subcontractor shall be liable for all costs and damages sustained by Contractor or for which Contractor may be liable to Owner or any other party, including consequential damages and liquidated damages. If Subcontractor delays are only one of multiple causes for delay to the Contract work, Subcontractor shall only be liable for its proportionate share of any resulting damages.

13.3 Contractor Caused Delays – Contractor caused delays are delays caused by the failure of Contractor, or any party for which Contractor is responsible, to perform any portion of its work in accordance with the updated progress schedule. If Contractor delays cause delay and/or disruption to Subcontractor’s work, Contractor shall be liable for all costs and damages sustained by Subcontractor, or for which Subcontractor may be liable to any other party, including consequential damages. If Contractor delays are only one of multiple causes for delay to Subcontractor’s work, Contractor shall only be liable for its proportionate share of any resulting damages.

13.4 Concurrent Delays – Concurrent delays are delays which can be attributed to either: (a) excusable delays and Subcontractor caused delays occurring concurrently; or (b) excusable delays and Contractor caused delays occurring concurrently. To the extent any portion of a delay is concurrent delay, and affects Contractor’s and/or Subcontractor’s ability to complete its work in accordance with the updated progress schedule, the period of performance shall be extended but neither Contractor nor Subcontractor shall be entitled to recover any costs or damages.

13.5 Disputed Delays – If Subcontractor disputes the determination of the cause of any delay and wishes to pursue that dispute, it must comply with the Claims article of the Subcontract.

ARTICLE 14 CLAIMS

14.1 Claim – A claim is a written demand by Subcontractor seeking an adjustment in the Subcontract Price and/or time, or the recovery of withheld disputed funds.

14.2 Notification of Claims – Subcontractor shall immediately provide written notification to Contractor of any claims so that Contractor has sufficient time to take actions to minimize any additional costs or time, and has sufficient time to provide notification to Owner in accordance with the Contract.

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14.3 Submission of Claims – Subcontractor shall submit its claims in sufficient time for Contractor to comply with any submission requirements of Owner. All such claims shall itemize, in a form acceptable to Contractor, any additional costs or time for performance being sought by Subcontractor.

14.4 Claims with Owner – To the extent Contractor determines Subcontractor's claim is one for which Owner may be liable, the following procedure shall apply:

- (a) Contractor will present Subcontractor's claim to Owner's first level designated representative. The decision of such representative will be conveyed in writing to Subcontractor and such decision shall be final unless Subcontractor notifies Contractor in writing of its desire to proceed further in sufficient time for Contractor to comply with any notification or submission requirements to Owner.
- (b) Upon receipt of Subcontractor's notice to proceed further, at Contractor's option, Subcontractor's claim may be further pursued with Owner. In such event, Contractor may allow Subcontractor to act in its own behalf and with its own consultants/attorneys at Subcontractor's cost to continue the required process and any subsequent administrative proceeding or litigation. If Contractor does not allow Subcontractor to act in its own behalf or it is procedurally impermissible for Subcontractor to proceed in its own behalf, and Contractor elects to allow the continued pursuit of Subcontractor's claim, then at the written request of Subcontractor, Contractor will proceed with the dispute on condition that Subcontractor pay to Contractor all of its actual costs arising out of such process, including but not limited to attorneys' fees, court costs and the costs of Contractor's personnel employed in pursuing the case against Owner.
- (c) If Contractor elects to not allow further pursuit of Subcontractor's claim against Owner, and Subcontractor disputes such decision, Subcontractor may pursue its claim pursuant to the Disputes Resolution Article of the Subcontract.
- (d) Nothing shall prevent Contractor from accepting a contract modification from Owner which preserves the rights of Subcontractor.
- (e) If because of Subcontractor's claim, Owner withholds any sums due Contractor, then Subcontractor shall pay to Contractor interest on the amounts so withheld at the rate of 10 percent per annum. If Owner withholds sums due Subcontractor as a result of a claim of Contractor, Contractor shall pay to Subcontractor interest on the amounts so withheld at the rate of 10 percent per annum.

ARTICLE 15 DISPUTES RESOLUTION

15.1 Claims Not Involving Owner – To the extent Subcontractor submits a claim which Contractor determines is one for which Owner may not be liable, or is one which Contractor elects to not allow Subcontractor to further pursue with Owner, or to the extent Contractor has a claim against Subcontractor, the following procedures shall apply and begin within 60 days of notification:

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- (a) If the dispute cannot be settled through direct discussions, the parties shall attempt to settle the dispute by mediation before recourse to any other method of dispute resolution. Unless the parties agree otherwise, the mediation shall be conducted in accordance with the Construction Mediation Rules of the American Arbitration Association.
- (b) If mediation does not resolve the dispute, then the parties may agree to resolve the dispute through binding arbitration. If so, the arbitrator(s)' decision shall be enforceable in a court of law and judgment shall be entered in accordance with such decision.
- (c) If mediation does not resolve the dispute and the parties do not agree to resolution by binding arbitration, either party may proceed with any allowable resolution process.

15.2 Participation In Proceedings – If Contractor receives a claim from any other party and Contractor determines Subcontractor may be liable, in whole or in part, for such claim, Subcontractor shall participate in the disputes resolution process with Contractor and such other party. To the extent practical, Contractor will not agree to binding arbitration or any other form of resolution with the other party without Subcontractor's consent. If, however, Contractor could not have determined, by reasonable diligence, that Subcontractor may be liable for the other party's claim before binding arbitration or any other form of resolution was already agreed upon, Subcontractor shall participate in that arbitration or other form of resolution and shall be bound by the decision rendered in that proceeding.

ARTICLE 16 PAYMENT

16.1 Schedule of Values – Within 10 days of Contractor's request, Subcontractor shall prepare and submit to Contractor a Schedule of Values which breaks down Subcontractor's work into individual activities. Each activity contained in the Schedule of Values shall be assigned a monetary price such that the total of all such items shall equal the Subcontract Price. The Schedule of Values shall be prepared in such detail as may be required by Owner and/or Contractor.

16.2 Payment and Verification – Subcontractor is required to pay for all labor, materials and equipment used in the performance of Subcontractor's work through the most current period applicable to progress payments received from Contractor. Contractor may require reasonable evidence to show that all obligations relating to Subcontractor's work are current through all payments received from Contractor before releasing any payment due for Subcontractor's work.

16.3 Progress Payment Applications – Subcontractor's applications for payment shall be itemized and in accordance with Subcontractor's Schedule of Values and any other substantiating data as required in the Contract for Contractor's payment applications. Subcontract payment applications may include amounts for Subcontract change orders which have been fully executed by Subcontractor and Contractor. Subcontractor cannot include in its payment applications any amounts for changes which have not been fully executed by Subcontractor and Contractor, or for disputed work.

16.4 Stored Materials and Equipment – If allowed by Owner, applications for payment may include materials and equipment not incorporated into Subcontractor's work but suitably stored on or off the site.

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Approval of payment applications for materials and equipment stored on or off the site shall be conditioned on: (1) submission by Subcontractor of bills of sale and applicable insurance or such other procedures satisfactory to Owner and Contractor to establish the proper valuation and protection of the stored materials and equipment; (2) Owner's and/or Contractor's title to such materials and equipment; and (3) any other documents or procedures to protect Owner's and Contractor's interests, including during the transportation of such items to the site by Subcontractor.

16.5 Time for Submission of Application – Subcontractor's progress payment application shall be submitted to Contractor in sufficient time for Contractor to include it in Contractor's payment request to Owner. Contractor shall incorporate the amount of Subcontractor's progress payment application approved by Owner into Contractor's payment application to Owner for the same period and timely submit it to Owner. If requested by Subcontractor, Contractor shall inform Subcontractor of Owner's changes to Subcontractor's percentages of completion reflected on Subcontractor's payment application and/or other adjustments affecting Subcontractor.

16.6 Copy of Payment Request – Upon written request, Contractor shall give Subcontractor a copy of that portion of Contractor's most current application for payment reflecting the percentages approved and/or paid by Owner for Subcontractor's work performed to date.

16.7 Lien Waivers – Subcontractor shall provide, in a form satisfactory to Owner and Contractor, lien or claim waivers in the amount of the application for payment from Subcontractor, and its subcontractors, materialmen and suppliers for the completed work. Contractor may refuse to pay Subcontractor if Subcontractor fails to provide such waivers. If such waivers are conditional upon payment, Contractor may choose to make payment by issuance of joint checks to Subcontractor and its subcontractors, materialmen and suppliers. Subcontractor shall not be required to sign an unconditional waiver of lien or claim prior to receiving payment, or in an amount in excess of what it has been paid.

16.8 Application Reduction, Rejection or Nullification – Contractor may reduce or reject a Subcontractor payment application or nullify a previously approved Subcontractor payment application, in whole or in part, as may reasonably be necessary to protect Contractor from loss or damage based upon:

- (a) Subcontractor's failure to perform its work as required by the Subcontract Documents;
- (b) Loss or damage to Owner, Contractor or others to whom Contractor may be liable arising out of or relating to the Subcontract and caused by Subcontractor or its lower tier subcontractors or suppliers;
- (c) Subcontractor's failure to properly pay for labor, materials, equipment or supplies furnished in connection with its work;
- (d) Rejected, nonconforming or defective work which has not been corrected;
- (e) Reasonable evidence of delay in performance of Subcontractor's work such that the work will not be completed within the time allotted by the updated progress schedule, and that the unpaid balance of the Subcontract Price is insufficient to offset the liquidated damages or actual damages that may be sustained by Contractor as a result of the anticipated delay caused by Subcontractor;

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- (f) Reasonable evidence demonstrating that the unpaid balance of the Subcontract Price is insufficient to cover the cost to complete Subcontractor's work;
- (g) Third party claims against Subcontractor or reasonable evidence demonstrating that third party claims are likely to be filed. Subcontractor can eliminate this basis by furnishing Contractor with adequate security in the form of a surety bond, letter of credit or other collateral or commitment which is sufficient to discharge such claims if established;
- (h) Owner's reduction, rejection or nullification of any part of a payment application;
or
- (i) Any other failure to comply with the terms and conditions of the Subcontract Documents.

Contractor shall give written notice to Subcontractor, at the time of reducing, disapproving or nullifying an application for payment, of the specific reasons for Contractor's action. When the above reasons for reducing, disapproving or nullifying an application for payment are removed, payment will be made for amounts previously withheld.

16.9 Retention – Contractor may withhold from Subcontractor retention up to a rate of 10 percent, or as provided by law.

16.10 Payment Not Acceptance – Payment to Subcontractor does not constitute or imply acceptance of any portion of Subcontractor's work.

16.11 Final Payment Application – Contractor is required to incorporate Subcontractor's application for final payment into Contractor's next application for payment to the Owner only after the following occur:

- (a) acceptance of Subcontractor's work by Contractor and Owner;
- (b) if requested by Contractor, evidence acceptable to Contractor that all payrolls, bills for materials and equipment, and other indebtedness connected with Subcontractor's work have been fully paid, or will be fully paid by issuance of joint checks in return for unconditional releases;
- (c) if requested by Contractor, consent of Subcontractor's surety to final payment;
- (d) satisfaction of close-out procedures as may be required by the Subcontract Documents; and
- (e) if requested by Contractor, releases and waivers of liens, stop notices, bond rights, or any rights against Contractor, its surety or Owner, effective upon payment, to the extent and in such form as may be designated by Contractor.

16.12 Effect of Final Payment – Acceptance of final payment by Subcontractor shall constitute a waiver of claims by Subcontractor, except for claims reserved in a final release.

ARTICLE 17 RECOURSE BY CONTRACTOR

17.1 Failure of Performance – If Subcontractor refuses or fails to fully and timely perform its obligations pursuant to the Subcontract, Contractor may, after two (2) working days written notice to Subcontractor, commence and continue satisfactory correction of such failure, and without prejudice to any other rights or remedies, provide the most expeditious correction of the failure by whatever means Contractor deems appropriate and charge the resulting costs to Subcontractor. A failure to fully and timely perform shall include but not be limited to, failing to supply enough properly skilled workers or proper materials, failing to maintain performance in accordance with the updated progress schedule, failing to make prompt payment to its workers, subcontractors or suppliers, disregarding laws, ordinances, rules, regulations or orders of any authority having jurisdiction, or otherwise failing or refusing to comply with any provision of the Subcontract. In the event of an emergency affecting the safety of persons or property, Contractor may proceed to commence and continue satisfactory correction of such failure without first giving two (2) working days' written notice to Subcontractor, but shall give prompt written notice of such action to Subcontractor.

ARTICLE 18 TERMINATION

18.1 Termination For Cause – If Subcontractor fails to perform any of its Subcontract obligations, Contractor may, after seven (7) calendar days written notification and in lieu of or in addition to any other remedies, terminate the Subcontract. A separate written notice of termination shall be issued by Contractor to Subcontractor at the time the Subcontract is terminated. If such a termination occurs, Contractor shall have the right to take and use any materials, equipment, appliances or tools furnished by, belonging or delivered to Subcontractor and located at the project for the purpose of completing any remaining Subcontractor work.

In the event the Subcontract is terminated for cause, Subcontractor shall not be entitled to receive any further payment until the Contract work is completed. At that time, if the amounts earned but not paid Subcontractor before the termination exceed the expenses incurred by Contractor in completing Subcontractor's work, any excess shall be paid by Contractor to Subcontractor; but, if Contractor's expense to complete Subcontractor's work exceeds the amount earned and unpaid, Subcontractor shall promptly pay the excess amount to Contractor. The expense incurred by Contractor shall include Contractor's costs for completing the work, including overhead, profit and attorneys' fees, and any damages incurred by Contractor by reason of Subcontractor's default.

18.2 Termination By Owner – If Owner terminates the Contract, or any part which includes portions of Subcontractor's work, Contractor shall notify Subcontractor in writing and Subcontractor shall immediately stop the performance of the terminated work, follow Contractor's instructions regarding any shutdown and termination procedures, and mitigate all costs. If Owner's termination partially eliminates Subcontractor's work, Contractor may terminate the Subcontract in its entirety.

18.2.1 Contractor's liability to Subcontractor for any damages incurred or claims resulting from Owner termination for convenience shall be limited to the amount Owner is determined to be liable to Contractor for Subcontractor's damages. Contractor's liability to Subcontractor for Owner's termination for cause shall be determined pursuant to the Claims and Disputes Resolution Articles of the Subcontract.

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**ARTICLE 19
SUSPENSION OF WORK**

19.1 Contractor may order Subcontractor in writing to suspend all or any part of Subcontractor's work for such period of time as Contractor deems appropriate. Contractor's liability to Subcontractor for any delay or disruption resulting from such suspension shall be determined pursuant to the Claims and Disputes Resolution Articles of the Subcontract. If the suspension is directed or caused by Owner, Contractor's liability to Subcontractor shall be limited to the amount Owner is determined to be liable to Contractor for Subcontractor's damages.

**ARTICLE 20
ASSIGNMENT OF SUBCONTRACT**

20.1 Subcontractor shall not, without written consent of Contractor, assign its rights in the Subcontract to others. This Subcontract may be assigned by Contractor to its bonding company.

~ END ~

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SUBCONTRACT

SIGNATURE PAGE

Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P. O. Box 26000, Sacramento, California 95826.

Representation By Contractor

Contractor represents to Subcontractor that this Subcontract is the "Long Form Subcontract Between General Contractor and Subcontractor" which was developed by The Associated General Contractors of America, San Diego Chapter, Inc. Neither Contractor nor Subcontractor have modified the printed language of the standard form agreement except by strike outs, interlineations or the like which have been initialed by both parties, or by attachments which are identified and attached. Contractor and Subcontractor may rely on all other printed portions of the Subcontract as being unaltered from the form contract published by AGC San Diego. Any change to the printed language which was not initialed by both parties or set forth in an attachment shall have no force and effect on either party and both parties shall instead be bound by the unaltered printed language. This provision does not apply to the language which must be inserted into the blank spaces or to the blocks which must be checked. Those items need not be initialed by the parties.

Representation By Subcontractor

Subcontractor warrants that it is properly licensed by the Contractors' State License Board of the State of California with the proper license classifications for performance of its work. Subcontractor further warrants that its license is and will remain current, active and in good standing all times during performance of its work.

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**This Subcontract has important legal and insurance consequences.
Consultation with an attorney and insurance consultant is encouraged with
respect to its completion or modification.**

The parties have executed this Subcontract for themselves, their heirs, executors, successors, administrators and assigns at the place and on the day and year first written above.

SUBCONTRACTOR

Firm: Baker Electric Inc.
By [Signature]
Print Name/Title George England / Group Manager
CA Contractor's License # C10-161756
Federal I.D. # 95-1853701
State of Incorporation California
Partnership
Proprietorship ☐

CONTRACTOR

Firm: Cornerstone Building Group
By [Signature] CEO
Richard Osgood, CEO
CA Contractor's License # 812183

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Temp Heads and Showers at Range 130
MCB Camp Pendleton
CORNERSTONE BUILDING GROUP PROJECT NO. 633

ATTACHMENT "A" TO SUBCONTRACTOR AGREEMENT NO.: 633 - 16100S

SUBCONTRACTOR: BAKER ELECTRIC, INC

1. The above-referenced Contract Number must appear on all packages, bills of lading, packing slips, billings, and correspondence.
2. Subcontractor shall provide satisfactory Faithful Performance and Payment Bonds for 100% of Subcontractor's contract amount if contract exceeds \$100,000.00. All Bonds must be executed by an admitted insurer listed in the Federal Register and have a AA rating. Cost of Bonds shall be included in contract amount. Note: (see AGC Contract Article 4, Surety Bonding Section 4.2)
3. SUBMITTALS - Where required in each Specification Section, Subcontractor shall provide complete material submittals in accordance with Specification Section 01300 and Article 23 and 31 of the General Conditions, with the exception that Contractor shall be supplied with 6 volumes of manufacturer's literature, one sepia transparency of each sheet, six blue line or black line prints of each sheet, and 6 samples. One copy will be returned to Subcontractor. All submittals shall be delivered to Contractor's job site office as a complete package per the time schedule in Section 01300-1.3-C, except that all submittals shall be submitted to Contractor within 5 calendar days after Notice to Proceed to Contractor.

SUBCONTRACTOR'S RESPONSIBILITY OF COMPLIANCE - Subcontractor is reminded of the stringent requirements for material submittals, which shall be vigorously enforced during this Project. Subcontractor shall be solely responsible for compliance with all Contract Document requirements relative to material submittals including absolute conformance with the terms and/or definitions of required submittal items delineated in the General Requirements and/or Section 01330 - SUBMITTAL PROCEDURES except as modified herein which shall prevail.

FORM AND FORMAT - Present all complete submittals for each individual Specification Section in individually-bound volumes, titled with the Project name and number as well as the individual Specification Section to which it pertains. Provide an index of included items using the same order and format as delineated in each Specification Section for "Submittals" as the first page of each volume. Title the index with the applicable Specification Section name and number. Each submittal item to be incorporated into the Project shall be clearly marked and identified in the submittals and catalogue data and shall be cross-referenced to the Contract drawings and/or Specifications so as to clearly identify the use for which it is intended. Clearly mark each sheet in each volume in the same numerical sequence as each Specification Section paragraph is arranged.

SUBCONTRACTOR'S STATEMENT(S) OF COMPLIANCE: Make a statement for each Specification paragraph or subparagraph which is preceded with a number or letter. Such statement will be used to communicate what Subcontractor is submitting. In cases where the paragraph implies instruction only, the word "NOTED" may be used indicating acknowledgement. Otherwise, a statement requiring a formal answer from the Architect should be made. Where common building materials, such as wire or pipe, are specified, Subcontractor may use the words "AS SPECIFIED", indicating total and strict compliance with the referenced paragraph. If any product, product data, and/or product description in the Specification Section will not be used and/or is not pertinent to this project, indicate such with "NOT APPLICABLE" next to the item. All other paragraphs involving a manufactured product and its installation requirements shall be submitted as specified herein, using the Specification number system for identification.

Subcontractor's Initials JD

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Any submittal or portion thereof which is returned from the Architect/Owner marked "REVISE AND RESUBMIT" or "REJECTED" shall be so remedied and/or corrected, and returned to Contractor by Subcontractor within 5 business days of Subcontractor's receipt of such returned submittal.

SUBMITTAL CERTIFICATION BY SUBCONTRACTOR: All submittals shall be complete, correct, and in proper format in all respects. All submittals shall clearly state whether product(s) falls into one of the three following categories:

3. A. "As Specified.
4. B. "Or Equal" – referencing Article 30 of the General Conditions. "Or Equal" materials must be accompanied with a request for substitution for product of manufacturer which is not specifically named.
5. C. "Substitution" – reference paragraph-covering substitutions below. Such submittal shall contain both the specified product's literature as well as the proposed substitution's product literature for the Architect's comparison.

All submittals shall be so certified by Subcontractor. At time of transfer of Subcontractor's proposed submittal packages to Contractor for approval, such volumes shall be accompanied with the following statement, on Subcontractor's letterhead, and signed by an authorized and responsible person of your company:

"I hereby certify that the equipment/material/article shown or marked in these submittals and proposed to be incorporated into the work of Contract No. 633 -16100S are in complete compliance with the Contract Documents and can be installed in the allocated spaces".

NAME OF SUBCONTRACTOR: BAKER ELECTRIC, INC

AUTHORIZED SIGNATURE: _____

JOB TITLE: _____

DATE: _____

Any and all submittals without such signed certification may be rejected. It shall be construed that the above statement is in effect for any and all submittals given to Contractor by Subcontractor, whether so indicated or not on individual submittals by Subcontractor's signature on this Subcontractor Agreement.

SUBMITTAL PROCESSING COSTS – Contractor will absorb and pay all costs for submittal approval for normal processing of material submittals in accordance with Contract Documents providing such submittals are complete, correct, and in proper format. However, Subcontractor will be responsible and liable for all Contractor and Designer costs incurred with re-submittals; re-review, re-certification, and/or requests for material substitutions/deviations, and/or "Or Equal" products.

SUBSTITUTIONS – Substitutions are discouraged for work, materials, equipment, or methods of installation on this project. Referencing Article 5.21.2 (Substitutions) of the General Conditions and Specification Section 01340, substitutions are permitted provided that Subcontractor can establish equality required by Owner/Architect and Request for Substitution is submitted to the Contractor within 30 calendar days of the Owner's Notice to Proceed to Contractor. Subcontractor shall assume any and all liabilities for costs, delays, disruptions, and/or out-of-phase work of other trades resulting from Subcontractor's proposed substitution, whether approved or disapproved.

Approved material submittals must be on file at the job site before delivery of proposed materials to the job site.

4. Referencing Section 01730 and where specifically required in the Contract Documents, Subcontractor shall provide Contractor with instruction manuals, parts lists, and operating and

Subcontractor's Initials BE

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maintenance manuals in the form and format specified, except that the number of such documents provided to Contractor shall be two more than specified in such Contract specifications. All manuals must be delivered to Contractor within 10 days of receipt of said equipment.

5. Subcontractor shall provide and update as required names, addresses, and phone numbers of all key personnel.

6. A Daily Report must be filled out by Subcontractor and in Contractor's job site trailer no later than 5:00 p.m. the same day **without exception**. The form will be furnished by Contractor. All areas of the form must be filled out. Subcontractor shall be solely responsible for assuring that the information is complete and in agreement with Subcontractor's certified payroll reports. Subcontractor's failure to submit correct daily reports may cause Contractor to withhold portions of Subcontractor's progress payments.

7. Certified Payroll Reports (one original and two copies) are due on a weekly basis and must be delivered to Contractor no later than 10 calendar days after Subcontractor's work has been performed. Reports must conform exactly with the actual hours worked and reported at the job site. Wage rates must be in compliance with the Prevailing Wage Rates governing this Project. It is Subcontractor's responsibility to verify his own employees' hourly pay rate.

For any Subcontractor unfamiliar with certified payroll, Contractor will instruct Subcontractor on how to fill the report out **the first time only**. Subcontractor is solely responsible for all subsequent reports.

If Subcontractor pays fringe benefits into an approved plan/fund/program, Subcontractor must submit the name of said plan with an itemized breakdown of the hourly dollar amounts with Subcontractor's first certified payroll report. Apprenticeship employees' paperwork must also be submitted whenever an apprentice appears on the daily reports. In addition, Subcontractor shall provide Contractor with proof that dues are being contributed to said plan by submitting a copy of the monthly report and a copy of the check you are submitting with the certified payroll report.

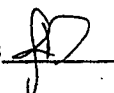
Contractor reserves the right to interview any person(s) working on the job site to clarify the trade classification and rate of pay. Furthermore, Contractor reserves the right to request copies of canceled payroll checks as proof of payment to said employees.

Subcontractor understands that Contractor may withhold entire amount of progress payment if subcontractor is delinquent on providing certified payroll reports or has failed to correct noted deficiencies on reports.

8. Subcontractor shall provide proof of insurance to Contractor in accordance with Clause A INSURANCE, of the General Subcontract Provisions of the AGC Standard Form Subcontract Agreement except as modified herein, which shall prevail. Such insurance certificates must be on file at Contractor's job site office before Subcontractor may commence work at the job site. Minimum comprehensive general liability and property damage insurance amounts of \$1,000,000.00 are required and must be provided. Workers compensation in amounts required by State Law shall also be provided. Both "Cornerstone Building Group" and "NAVFAC Southwest" must be named as "Additional Insured" and "Certificate Holder". Additional insured endorsement shall provide coverage for completed operations and shall be issued on Form CG 20 10 11 85 or its equivalent.

In the cancellation clause "...endeavor to..." and "...but failure to..." to the end of the sentence must be stricken. There shall be a provision for a minimum of 30 days written cancellation notice. **The Project name and number must appear on the certificates.**

Subcontractor's Initials



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9. Scheduling Requirements/Schedule of Values – Within 7 calendar days of receipt of Contractor's Preliminary Construction Schedule, Subcontractor shall submit a complete, itemized breakdown of work indicating activity sequence, cost of labor and material for each activity, crew size, and expected duration required to complete each work sequence. Contractor shall attempt to integrate this information into Contractor's 'baseline construction schedule. Upon Owner's approval, such schedule and monthly schedule updates will be used in billings for progress payments. Please note any requirements, which would affect out trade, (i.e. drying times, panting before trim, etc.) Failure of Subcontractor to comply with this requirement within the allotted time shall allow Contractor to develop the Schedule of Values on behalf of Subcontractor as if submitted by Subcontractor.

10. Subcontractor's Tier Subcontractors and Suppliers – Subcontractor shall provide Contractor with a complete list of tier subs/suppliers to be returned with signed Contract, and shall constantly update such list as scope of work indicates. Failure of Subcontractor to provide and update this list to Contractor will cause Subcontractor's progress payment to be deferred until properly provided to Contractor with no exceptions. Subcontractor shall provide unconditional lien releases from pertinent suppliers and tier sub labor with each and every progress billing. If Subcontractor does not have any tier subs or suppliers, Subcontractor shall advise Contractor in writing and such statement shall accompany each and every progress-billing request.

At Contractor's option, Contractor may make payment to Subcontractor for approved progress payments by joint checks payable to Subcontractor and Subcontractor's tier subs/suppliers for amounts owed. At Contractor's option, Contractor may pay directly to any of Subcontractor's unpaid tier subs/suppliers any amounts owed on behalf of Subcontractor and set off such amounts against Subcontractor's contract amount. Contractor shall provide notification of such to Subcontractor and shall assist in resolving outstanding disputes related to this project with tier subs/suppliers.

NOTE: All releases must be signed by an officer of the company and all releases must be complete including specific dollar amounts. Releases with no dollar amount indicated, or "sufficient funds" or other similar language will not be accepted.

11. Joint Apprentice Committee (JAC) State Code 1777.5, 1777.6, and 1777.7 – All Subcontractors performing on public works projects are required to comply with referenced sections of the State Labor Code each time they receive an award to perform on a public works project. Non-signatory subcontractors using employees in apprenticeship trades are required to apply to the appropriate JAC, requesting permission to employ and train apprentices. It is suggested that all applications be sent by certified mail as a means to show proof that an application was submitted. A copy of that application must be submitted to Contractor with the first monthly-certified payroll reports as proof of compliance. Subcontractors who are signatory to a labor agreement are required to submit in letter form with first monthly report, a statement identifying which laborer agreement(s) they are signatory to as related to this project.

12. As-Built Drawings, conforming to Contract Document requirements must be maintained by Subcontractor for all of Subcontractor's work, and kept current on a weekly basis. Subcontractor shall utilize and update as-built drawings and coordinate as-built requirements with the Project's QC Manager.

13. 10% Retention will be withheld by Contractor on all progress payments. A greater amount will be withheld if Subcontractor does not maintain and regularly update, where required by the Contract Documents, the following:

- A. Material submittals including, but not limited to, samples, certifications, shop drawings, certified test results, and/or any other required data for materials and/or equipment.
- B. O&M Manuals, operating instructions, warranty date, etc.
- C. Subcontractor daily reports.

Subcontractor's Initials JD

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- D. Certified payrolls.
- E. Names, addresses, and phone numbers of Subcontractor's Project Manager and Foreman.
- F. Insurance certificates - kept current.
- G. Hazard Communication Regulation Requirements.
- H. List of all tier subcontractors and Subcontractors with respective addresses and phone numbers.
- I. Schedule of Prices.
- J. Scheduling requirements.
- K. As-Built Drawings - kept current.
- L. Lien releases for tier-subcontractor's and Subcontractors with each and every progress payment request.
- M. Equal Opportunity and/or Affirmative Action Participation Compliance requirements and/or documentation.
- N. Subcontractor's Safety Plan.

14. Billing procedures must be in accordance with the format outlined below:

Contract Amount _____
 Approved Change Orders _____
 Revised Contract Amount _____

Current Billing Amount-Completed/Approve _____
 (Attach Schedule of Prices)

Amount of Change Order Work _____
 Total Amount This Billing _____
 Less Retention _____
 Sub-Total _____
 Less Previously Amount Billed _____
 Less Back Charges (if applicable) _____
 Current Amount Due _____

Billing date shall be the 25th of each month, projected through the end of the month. Payment to Subcontractor shall be made within seven calendar days after Contractor has received payment from Owner.

Subcontractor shall provide his Federal Tax Identification Number or Social Security Number and a copy of his State Business License as a requirement of this Contract. There will be no Contract payment issued until these requirements are fulfilled.

Progress payments by Contractor to Subcontractor for any stored materials, either on-site or in a "bonded" warehouse, and/or equipment prior to fixed installation at the Project are subject to the following conditions and stipulations which supersede any other provisions(s) to this Agreement:

A. Sole ownership and means of distribution of such material and/or equipment transfers exclusively to Cornerstone Building Group upon Subcontractor's receipt of payment. At time of Subcontractor's application for progress payment, Subcontractor shall provide Contractor with a detailed inventory of specific description and quantity for each and every item(s), and stating that Contractor owns such materials and/or equipment upon Subcontractor's receipt of said payment.

B. Subcontractor shall provide Installation Floater Insurance coverage for the replacement values of such materials and/or equipment that explicitly names "Cornerstone Building Group" as additional insured on the insurance certificate.

Subcontractor's Initials JD

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- C. Progress payment amount to Subcontractor shall not exceed the actual invoice amount for such materials and equipment that Subcontractor owes.
- D. Subcontractor shall comply with all requirements for payment of stored materials in accordance with Section 00721 and/or 01200.

15. If Subcontractor and Contractor have any other contractual agreements, any funds from this Agreement or from any other contractual agreement(s), may be applied to complete, satisfy, pay for, or implement any contractual agreements and obligations. Subcontractor and Contractor mutually agree to honor all agreements contained herein.

16. Contractor's Code of Safe Practices, in addition to applicable Federal, State, and Local Regulations, shall be considered minimum safety standards for this Project. A copy of Subcontractor's safety plan must be submitted to Contractor within 5 days of award of Subcontract. Safety standards will be enforced by way of Safety Violation and Correction Notice issued through a designated Cornerstone Building Group employee. A maximum of three documented violations per Subcontractor or per employee shall be considered reasonable cause to suspend Subcontractor or employee right to work on this project. Job Site safety meetings will be held weekly. Attendance is mandatory by all trades working on site. Proper work clothes must be worn by all employees. This means everyone must wear a hard hat, long pants, a shirt, and safety shoes.

17. Subcontractor is responsible for complying with California's Hazard Communication Regulations and must provide Contractor with MATERIAL SAFETY DATA SHEETS on all hazardous substances used by Subcontractor's operations, within 5 days of award of Subcontract. Subcontractor is responsible for complying with the Hazardous Material Federal Regulations 29CFR 1910.120.

18. Contractor will provide lighting as required to maintain safety standards. Electrical outlets will be provided by Contractor to within 100 feet of each building. Subcontractor will be responsible for additional task lighting and power as required to perform Subcontractor's own work.

19. Subcontractor shall not use Contractor's telephones at the job site.

20. Cost Proposals shall be returned to Contractor's job site office within five days (or soon if requested) of receipt of request. Subcontractor is advised to familiarize himself with all requirements regarding changes or claims as described in the Contract Documents.

21. No claim for additional work by Subcontractor shall be recognized by Contractor without written approval or direction by Contractor prior to commencement of such work. Subcontractor must submit a written claim to Contractor within five days after the event-giving rise to Subcontractor's claim.

22. This Project is certified as a "DRUG-FREE WORKPLACE". Neither Subcontractor nor his employees, while performing services at this Project shall be in any way impaired by the use of alcohol or drugs. Subcontractor/employees shall not possess an open container of alcohol, consume alcohol, or be under the influence of any illegal drug, shall not sell, offer, or provide alcohol or drugs to any other person. Any employee's failure to abide by this provision shall be considered reasonable cause to suspend employee's right to work on this Project.

23. Testing and Inspections – Normal testing/inspection of Subcontractor's work shall be provided by Owner as described in Section 01410. Any retesting/re-inspection of Subcontractor's work shall be at Subcontractor's expense. All testing of equipment/material as required in individual Specification Sections shall be by Subcontractor/Subcontractor's supplier.

Subcontractor's Initials

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24. Accident Reports – Subcontractor shall provide Contractor with a copy of the accident report within 48 hours of accident for any accident.

25. Liquidated Damages – Time is of the essence for both the Contract with Owner and this Subcontract Agreement. Subcontractor is hereby informed that liquidated damages for this Project are \$200.00 per calendar day. Subcontractor shall be responsible for a proportional amount of any and all liquidated damages incurred by Contractor due to delays in work caused by Subcontractor. Subcontractor's attention is directed to the phasing requirements and associated liquidated damages as described in Section 5.8.2 of the General Conditions.

26. One copy of the contract drawings, contract specifications, and addenda will be provided to Subcontractor upon request. Should additional copies be required, Subcontractor shall coordinate with Contractor for the production of such copies. The expense for additional copies shall be the responsibility of Subcontractor.

27. Subcontractor's attention is called to the Equal Opportunity Clause, the Affirmative Action Compliance Clauses, the Small Business Program Representations Clauses, and the Affirmative Action for Special Disabled and Vietnam Era Veteran's Clauses incorporated into the Project's Contract Documents. Subcontractor shall comply with all such requirements and shall provide documentation of compliance including, but not limited to, certification, monitoring, and auditing of Subcontractor's participation.

28. Cornerstone Building Group's refuse containers shall not be used by Subcontractor to dispose of materials from Subcontractor's activities. Subcontractor shall remove such refuse from job site in a timely manner, using only Subcontractor's own facilities for such refuse material. Subcontractor shall maintain premises in a broom clean, safe, and orderly condition on a daily basis or more frequently as required. If Subcontractor fails to perform clean up functions as required, Contractor may then proceed to perform this function in a manner deemed most expedient. In each such event, the cost of clean up or \$100.00, whichever is greater, shall be charged to Subcontractor and deducted from payments due under this Agreement. If a dispute arises between Subcontractors as to responsibility for clean up, Contractor shall allocate costs, as it deems fair. Contractor may invoke the foregoing procedure without notice to Subcontractor when deemed by Contractor to be necessary to maintain job site in a safe condition or to maintain progress of the work.

29. Contractors are required by Law to be licensed and regulated by the Contractors' State License Board, which has jurisdiction to investigate complaints against Contractors if a complaint is filed within three years of the date of the alleged violation. Any question concerning a Contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, CA 95826.

30. The Project Management Team and applicable location information is as follows:

Project Manager – Raphael Miller (858) 444-6880
Project Superintendent – Darren Sims (858) 437 - 2785
Office Phone – (619) 296 - 5784
Office Fax - (619) 296-6508

Subcontractor's Initials

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7

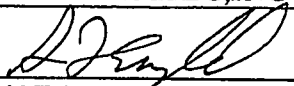
ALL MAIL, SUBMITTALS, ETC., ARE TO BE SENT TO OUR POST OFFICE BOX AS FOLLOWS:

Cornerstone Building Group - Job No. 633
3590 Kettner Boulevard
San Diego, CA 92101

DELIVERY/HOME OFFICE ADDRESS: Cornerstone Building Group - Job No. 633
3590 Kettner Blvd
San Diego, CA 92101

SUBCONTRACTOR:

BAKER ELECTRIC, INC

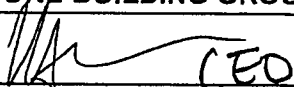
 Group Manager
SIGNATURE/TITLE

November 26, 2007
DATE

95-1853701
FEDERAL TAX ID NO./SOC. SECURITY NO.

CONTRACTOR:

CORNERSTONE BUILDING GROUP

 CEO
RICHARD OSGOOD, CEO

12/7/07
DATE

Subcontractor's Initials 

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HEAD AND SHOWER FACILITIES LOCATED AT RANGE 130
MCB Camp Pendleton
CORNERSTONE BUILDING GROUP PROJECT NO. 633

ATTACHMENT "B" TO SUBCONTRACT AGREEMENT NO. 633 - 16100S

SUBCONTRACTOR: BAKER ELECTRIC, INC.

The following terms and conditions are hereby made part of this Contract:

The subcontractor is responsible for providing the necessary labor, material, and equipment as specified in this attachment, as well as the RFP, and contract documents attached to this subcontract.

1. Subcontractor shall provide all labor, materials, and equipment as necessary or incidental for the installation of all electrical work as shown and/or described in the Contract Documents and as more particularly, though not exclusively, in the Task Order Proposed Work Plan, Head and Shower Facilities located at Range 130.
2. All electrical to include coordination with San Diego Gas and Electric. The containers require at least 240amp service for both containers. Provide electric pole next to ISO container, to ensure a minimal clearance of 18' across the road.
3. Install conduit under concrete pads to electrical source. Provide power from electric pole to shower and head trailers.
4. Provide power to shower and restroom containers ~~and as well as power to the water pumps for the ISO containers.~~
5. Subcontractor shall coordinate with San Diego Gas and Electric for power outages, procedures, specifications etc.
6. **Conductor:** Provide five wire circuits consisting of three hot wires, one neutral wire, and one ground. Minimum size wire shall be #4/0 or larger to keep voltage drop at 4% or less, or as otherwise required by the 2005 National Electric Code.
7. **Conduit:** Diameter of all piping shall meet the minimum size criteria for the specific wire and conductor type based on the NEC. Underground pipe to the site shall be schedule 80 PVC or another approved material. Aboveground indoor pipe at Building 21153 shall meet the NEC requirements for classified locations. (The northeast maintenance bay will be upgraded in the future to accommodate hydrogen vehicle maintenance, similar to the northwest maintenance bay.)
8. **Testing:** Conduct testing prior to covering electrical pipe in trenches and energizing circuits. Test insulation using a 500- or 1,000-volt insulation-resistance test set. Take readings every minute until three equal and consecutive readings are obtained. Resistance between phase conductors and between phase conductors and ground shall be 25 megohms minimum. Ensure that system is fully operational.
9. All utilities work shall be overseen by a contractor licensed in their respective field of work (i.e., electrical and plumbing).
10. Subcontractor shall dispose or remove all construction debris, including but not limited to leftover piping, wires, empty containers, and packaging. Disposal may occur at the base landfill or at another approved off-site location.

Subcontractor's Initials AD

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11. Subcontractor shall provide temp power including distribution boxes to job site buildings and structures from a temp power source as provided by Contractor.
12. Subcontractor shall be responsible for all safe-off, disconnection and removal of electrical equipment and utilities for all structures and equipment.
13. Subcontractor shall provide and install all straps, supports, hangers, Unistrut, restraints, or seismic bracing as necessary for Subcontractor's own installations. This includes light fixture hanger wires.
14. Subcontractor shall provide and install all brackets, bolts, cable trays, helix cables, fastenings, and/or pipe straps as required.
15. Subcontractor shall provide and install all anchoring/supporting devices as required in the Contract Documents.
16. Subcontractor shall be responsible for cutting/patching of finished surfaces as necessary to complete Subcontractor's installations.
17. Subcontractor shall provide and install all fire-stopping sealant where electrical installations penetrate walls, floors, and ceilings to retain the integrity of those structures. Subcontractor shall also provide all fire rated blankets and enclosures for their own work where required.
18. Subcontractor shall provide all power wiring, conduits, and connections for all control systems in accordance with the Contract Documents, regardless of voltage. *SDG+E does primary*
19. Subcontractor shall be responsible for coordination and final connections to ~~primary and~~ secondary power sources. Any electrical outages must be scheduled 10 days in advance and approved with the Contractor and Owner. In some cases, Subcontractor must provide a temporary power source such as a generator in order to allow continuous service to the Owner while the Subcontractor performs their scope of work. Should any delays or damages be incurred through lack of notice, coordination, negligence, or inadequate planning, etc. those delays and or damages shall be the sole responsibility of the Subcontractor.
20. EXCLUSIONS:
Bonds

SUBCONTRACTOR:

BAKER ELECTRIC, INC.

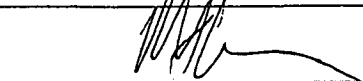

 SIGNATURE/TITLE

Group Manager

 November 26, 2007
 DATE

CONTRACTOR:

CORNERSTONE BUILDING GROUP


 RICHARD OSGOOD, CEO

CEO

 12/7/07
 DATE

Subcontractor's Initials



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Bond Number: SDC00010
Premium Included

PAYMENT BOND (See instructions on reverse)		DATE BOND EXECUTED (Must be same or later than date of contract) September 12, 2007		OMB No.: 8000-0045								
Public reporting burden for this collection of information is estimate to average 28 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the FAR Secretariat (MVR), Federal Acquisition Policy Division, GSA, Washington, DC 20405												
PRINCIPAL (Legal name and business address) Cornerstone Building Group 3590 Kettner Blvd. San Diego, CA 92101		TYPE OF ORGANIZATION ("X" one) <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE <input checked="" type="checkbox"/> CORPORATION STATE OF INCORPORATION California										
SURETY(IES) (Name(s) and business address(es)) Western Insurance Company 580 E. Plumb Lane Reno, NV 89502		PENAL SUM OF BOND <table border="1"> <tr> <th>MILLION(S)</th> <th>THOUSAND(S)</th> <th>HUNDRED(S)</th> <th>CENTS</th> </tr> <tr> <td></td> <td>322</td> <td>555</td> <td>00</td> </tr> </table> CONTRACT DATE CONTRACT NO. 2007 Sep 08 N62473-07-D-6308-0013			MILLION(S)	THOUSAND(S)	HUNDRED(S)	CENTS		322	555	00
MILLION(S)	THOUSAND(S)	HUNDRED(S)	CENTS									
	322	555	00									

OBLIGATION: Infantry Immersive Trainer Facilities in 62 Area

We, the Principal and Surety(ies), are firmly bound to the United States of America (hereinafter called the Government) in the above penal sum. For payment of the penal sum, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally. However, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us. For all other purposes, each Surety binds itself, jointly and severally with the Principal, for the payment of the sum shown opposite the name of the Surety. If no limit of liability is indicated, the limit of liability is the full amount of the penal sum.

CONDITIONS:

The above obligation is void if the Principal promptly makes payment to all persons having a direct relationship with the Principal or a subcontractor of the Principal for furnishing labor, material or both in the prosecution of the work provided for in the contract identified above, and any authorized modifications of the contract that subsequently are made. Notice of those modifications to the Surety(ies) are waived.

WITNESS:

The Principal and Surety(ies) executed this payment bond and affixed their seals on the above date.

Cornerstone Building Group		PRINCIPAL		
SIGNATURE(S)	1. (Seal)	2. (Seal)	3. (Seal)	Corporate Seal
NAME(S) & TITLE(S) (Typed)	1.	2.	3.	
INDIVIDUAL SURETY(IES)				
SIGNATURE(S)	1. (Seal)	2. (Seal)		
NAME(S) (Typed)	1.	2.		
Western Insurance Company		CORPORATE SURETY(IES)		
NAME & ADDRESS	580 E. Plumb Lane Reno, NV 89502	STATE OF INC.	LIABILITY LIMIT	Corporate Seal
		Nevada	\$ 1,302,000.00	
SIGNATURE(S)	1.	2.		
NAME(S) & TITLE(S) (Typed)	1. Audrey Rodriguez, Attorney-In-Fact	2.		

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STANDARD FORM 25A (REV. 10-98)
Prescribed by GSA-FAR (48 CFR) 53.2228(c)

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CORPORATE SURETY(IES) (Continued)

	NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT	
SURETY B	SIGNATURE(S) 1.	2.		Corporate Seal
	NAME(S) & TITLE(S) (Typed) 1.	2.		
SURETY C	SIGNATURE(S) 1.	2.		Corporate Seal
	NAME(S) & TITLE(S) (Typed) 1.	2.		
SURETY D	SIGNATURE(S) 1.	2.		Corporate Seal
	NAME(S) & TITLE(S) (Typed) 1.	2.		
SURETY E	SIGNATURE(S) 1.	2.		Corporate Seal
	NAME(S) & TITLE(S) (Typed) 1.	2.		
SURETY F	SIGNATURE(S) 1.	2.		Corporate Seal
	NAME(S) & TITLE(S) (Typed) 1.	2.		
SURETY G	SIGNATURE(S) 1.	2.		Corporate Seal
	NAME(S) & TITLE(S) (Typed) 1.	2.		

INSTRUCTIONS

1. This form, for the protection of persons supplying labor and material, is used when a payment bond is required under the Act of August 24, 1935, 49 Stat. 793 (40 U.S.C. 270a-270e). Any deviation from this form will require the written approval of the Administrator of General Services.

2. Insert the full legal name and business address of the Principal in the space designated "Principal" on the face of the form. An authorized person shall sign the bond. Any person signing in a representative capacity (e.g., an attorney-in-fact) must furnish evidence of authority if that representative is not a member of the firm, partnership, or joint venture, or an officer of the corporation involved.

3. (a) Corporations executing the bond as sureties must appear on the Department of the Treasury's list of approved sureties and must act within the limitation listed therein. Where more than one corporate surety is involved, their names and addresses shall appear in the spaces (Surety A, Surety B, etc.) headed "CORPORATE SURETY(IES)." in the space

designated "SURETY(IES)" on the face of the form, insert only the letter identification of the sureties.

(b) Where individual sureties are involved, a completed Affidavit of Individual Surety (Standard Form 28) for each individual surety, shall accompany the bond. The Government may require the surety to furnish additional substantiating information concerning their financial capability.

4. Corporations executing the bond shall affix their corporate seals. Individuals shall execute the bond opposite the word "Corporate Seal", and shall affix an adhesive seal if executed in Maine, New Hampshire, or any other jurisdiction requiring adhesive seals.

5. Type the name and title of each person signing this bond in the space provided.



Job 11104

SUBCONTRACT NO. 622-16100S

SUBCONTRACT

(Long Form Subcontract between General Contractor & Subcontractor)

This Subcontract is entered into on September 14, 2007 at San Diego California by and between Cornerstone Building Group ("Contractor"), with its principal office at 3590 Kettner Blvd San Diego California 92101 and Baker Electric ("Subcontractor") with its principal office at 1298 Pacific Oaks Place, Escondido, California, 92029.

Contractor has entered into a contract with the following Owner:

NAVFAC Southwest
Camp Pendleton ROICC/CODE ROPCN
Marine Corps Base Camp Pendleton
PO BOX 555229 Bldg 22101
Camp Pendleton, CA 92055-5229

RECEIVED

DEC 03 2007

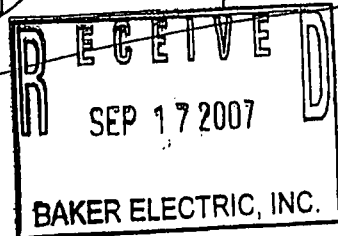
To perform certain construction work identified as:

8A JOC, Pre-Engineered Metal Building at 210536
NAVFAC SOUTHWEST, CAMP PENDLETON ROICC
MCB, CAMP PENDLETON
N62473-07-D-6308-0009

CORNERSTONE B G

B-61718

IMMERSIVE TRAINER



This Subcontract has important legal and insurance consequences. Consultation with an attorney and insurance consultant is encouraged with respect to its completion or modification.

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BA

SUBCONTRACT

TABLE OF ARTICLES

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The titles given to the Articles and paragraphs of this Subcontract are for ease of reference only and shall not be relied upon or cited for any other purpose.

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ARTICLE 1 SUBCONTRACT PRICE

1.1 As full compensation for satisfactory performance of the Subcontract, Contractor agrees to pay Subcontractor in the manner described below, subject to all provisions of the Subcontract:

(a) the firm fixed-price of One Hundred Sixty-Six Thousand One Hundred Thirteen Dollars (\$166,113.00) subject to additions and deductions as provided for in the Subcontract; and/or

(b) unit prices in accordance with the attached Unit Prices and estimated quantities; and/or

(c) time and material rates and prices in accordance with the attached Labor and Material Costs; and/or

(d) other, as identified in an attachment.

The firm fixed-price, unit prices, time and material rates and prices and/or other identified manner of payment are referred to as the "Subcontract Price."

ARTICLE 2 SUBCONTRACT DOCUMENTS

2.1 The Subcontract Documents, in order of precedence, consist of the following:

2.1.1 The executed Subcontract between Contractor and Subcontractor, including Attachment Nos. A and B, which are incorporated at this point as if fully set forth.

2.1.2 The Contract, consisting of the entire and integrated Agreement between Owner and Contractor, as more particularly though not exclusively specified in the General, Special, Supplementary and other Conditions, Drawings, Specifications, Addenda, reference standards or provisions of any nature.

2.2 Subcontractor certifies and agrees that it is fully familiar with all of the terms, conditions and obligations of the Subcontract Documents, the location of the job site, and the conditions under which the work is to be performed, and that it enters into this Subcontract based upon its investigation of all such matters and is in no way relying upon any opinions or representations of Contractor. It is further agreed that the Contract is incorporated into this Subcontract with the same force and effect as if it was set forth in full, and that Subcontractor and its subcontractors are bound by all terms of the Contract as they relate in any way, directly or indirectly, to the work covered by this Subcontract. Subcontractor agrees to be bound to Contractor in the same manner and to the same extent as Contractor is bound to Owner under the Contract. The Contract is defined above and includes but is not limited to the following documents:

- Attached Task Order Proposed Work Plan

2.3 Upon written request by Subcontractor, Contractor shall provide to Subcontractor at Subcontractor's expense, one copy of all portions of the Contract in the Contractor's possession. However, neither this article nor any other shall obligate Contractor to obtain for Subcontractor copies of any portion of the Contract not in the possession of Contractor, and Subcontractor shall not be excused from performance of its work because it does not have such documents. Upon written request by its subcontractors and suppliers, Subcontractor similarly shall make one copy of applicable portions of the Subcontract Documents available

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to its subcontractors and suppliers. Nothing shall prohibit Subcontractor from obtaining a copy of the executed Contract from Contractor at any time after the Subcontract is executed.

2.4 Nothing in the Subcontract shall be construed to create a contractual relationship between persons or entities other than Contractor and Subcontractor.

ARTICLE 3 SCOPE OF SUBCONTRACT WORK

3.1 Independent Contractor – Subcontractor shall provide all labor, materials, equipment and services necessary or incidental to perform its work as an “independent contractor,” in accordance with the Subcontract Documents.

3.2 Subcontract Work – Subcontractor shall perform the following scope of work:

(See Attachment B)

3.3 Temporary Services – Contractor will provide to Subcontractor the following temporary services at the project site during the performance of this Subcontract at no charge to Subcontractor:

NONE

Subcontractor will provide, at its own expense, all other necessary temporary services for the completion of its work.

ARTICLE 4 SURETY BONDING

4.1 Copy of Contractor Bonds – Subcontractor is entitled to receive from Contractor, upon written request, copies of any payment and performance bonds furnished by Contractor for the project.

4.2 Subcontractor Bonds – Subcontractor surety bond requirements, if any, are as follows:

Subcontractor Performance and Payment Bond

☐ Required ☒ Not Required

4.2.1 If a performance or payment bond, or both, are required of Subcontractor, such bonds shall name Contractor as obligee, be in the full amount of the Subcontract Price, and shall be in a form and by a surety acceptable to Contractor. The premiums for such bonds are not included in the Subcontract Price, the cost shall be added as a change order to the contract documents upon final determination.

4.2.2 In the event Subcontractor shall fail to provide any required bonds within 10 days of Contractor's written notification to do so, Contractor may terminate this Subcontract for cause. All costs and expenses incurred by Contractor as a result of such a termination shall be paid by Subcontractor in accordance with the termination for cause article of the Subcontract.

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4.2.3 No change, directive, clarification or communication regarding this Subcontract, whether made in the manner specified in the Subcontract or not, shall release or exonerate, in whole or in part, any surety on any bond given in connection with this Subcontract and neither Owner nor Contractor shall be under any obligation to notify the surety or sureties of any change, directive, clarification or communication with Subcontractor.

ARTICLE 5 PERFORMANCE OF WORK

5.1 Schedule of Work – Subcontractor may provide Contractor with scheduling information it proposes for its work. If the information is provided 5 days before Contractor is required to submit the schedule to Owner or to proceed with the work, Contractor will consult with Subcontractor regarding such information and, if possible, incorporate the same into the schedule to Owner.

5.1.1 Contractor shall prepare the schedule for performance of the Contract and Subcontract ("progress schedule") and may revise and update the progress schedule as the work progresses. It shall be Subcontractor's obligation to conform to the progress schedule, as updated by Contractor. Subcontractor understands that all field work must be completed within 5 weeks. All work must be completed no later than October 19, 2007. Subcontractor will provide adequate manpower, materials & equipment to meet this schedule. Subcontractor shall prepare and obtain approval as required by the Contract for all shop drawings, details, samples; shall perform any required Subcontractor testing; and do all other things necessary and incidental to the prosecution of the Subcontract in order to comply with the progress schedule. Subcontractor shall coordinate the work covered by this Subcontract with Contractor and all other subcontractors with whom Subcontractor must interface for the proper and timely completion of Subcontractor's work. Contractor shall have the right to decide the time and order in which the various portions of the work shall be installed, the priority of the work of other subcontractors, and, in general, all matters representing the timely and orderly performance of the work of Subcontractor on the project.

5.1.2 Contractor shall have the right to determine and, if necessary, change the time, order and priority in which the various portions of the work shall be performed and all other matters relative to the timely and orderly performance of Subcontractor's work. Subcontractor shall be reasonably notified of all subsequent changes and additional details to the progress schedule. Both Contractor and Subcontractor shall be bound by the updated progress schedule.

5.2 Subcontract Performance – Subcontractor shall use its best care, skill and diligence in supervising, directing and performing its work. Subcontractor shall have responsibility and control over the performance of its work, including the construction methods, techniques, means and sequences for coordinating and completing the various portions of its work.

5.3 Use of Contractor's Equipment – Subcontractor, its agents, employees, subcontractors or suppliers shall use Contractor's equipment only with the express written permission of Contractor's designated representative and in accordance with Contractor's terms and conditions for such use.

5.4 Time is of The Essence – Time is of the essence for both parties, and they mutually agree to ensure the performance of their respective work and the work of their subcontractors and suppliers so that the entire project may be completed in accordance with the Contract and the updated progress schedule.

ARTICLE 6

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SUBCONTRACT INTERPRETATION

- 6.1 Inconsistencies and Omissions – Should inconsistencies or omissions appear in the Contract, it shall be the duty of Subcontractor to so notify Contractor in writing within three (3) working days of Subcontractor's discovery. Upon receipt of such notice, Contractor shall inform Subcontractor as to the measures to be taken and Subcontractor shall comply with Contractor's instructions. If Subcontractor performs work knowing it to be contrary to any applicable laws, statutes, ordinances, building codes, rules or regulations without notice to Contractor and advance approval by appropriate authorities, including Contractor, then Subcontractor shall assume full responsibility for such work and shall bear all associated costs, charges, fees and expenses necessarily incurred to remedy the violation(s).
- 6.2 Disputes Over Responsibility For Performance – Subcontractor agrees that in the event a dispute should occur between Subcontractor and another subcontractor or Contractor as to who has the responsibility to perform a particular item of work or repair damage to any particular item of work, the determination of who shall perform the work shall be made by Contractor.
- 6.3 Law and Effect – The Subcontract shall be governed by the law of the State in which the project is located.
- 6.4 Severability and Waiver – The partial or complete invalidity of any one or more provisions of this Subcontract shall not affect the validity or continuing force and effect of any other provision. The failure of either party to insist, in any one or more instances, upon the performance of any of the terms, covenants or conditions of the Subcontract, or to exercise any right provided to it, shall not be construed as a waiver or relinquishment of such term, covenant, condition or right with respect to further performance.
- 6.5 Recoverable Fees and Costs – Should either party institute suit or demand arbitration to enforce any of the provisions of the Subcontract, to protect its interests in any manner arising under the Subcontract, or to recover on a surety bond furnished by a party to the Subcontract, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs, charges, and expenses (including expert fees and testing) expended or incurred.
- 6.6 Titles – The titles given to the Articles and paragraphs of the Subcontract, and the order of their placement, are for ease of reference only and shall not be relied upon or cited for any other purpose.
- 6.7 Entire Agreement – The Subcontract is solely for the benefit of the signatories and represents the entire and integrated agreement between the parties and, unless specifically stated otherwise, supersedes all prior negotiations, representations or agreements, either written or oral.
- 6.8 Waiver of Any Breach – Waiver of any breach, alleged breach, provision, covenant or condition of the Subcontract by Contractor shall not be construed as a waiver of the same or any other provision of the Subcontract on any other occasion, nor shall such waiver serve as an estoppel of any other right Contractor may have. Should any provision in the Subcontract, or its attachments, be held or declared void or invalid, all other provisions shall remain in full force and effect.

ARTICLE 7
CONTRACTOR'S OBLIGATIONS

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7.1 Authorized Representative – Contractor shall designate one or more persons who shall be Contractor's authorized representative(s) on-site and off-site. Such authorized representative(s) shall be the only person(s) Subcontractor shall look to for instructions, orders and/or directions, except in an emergency.

7.2 Lay Down Areas – If available, Contractor shall allocate to Subcontractor area(s) for Subcontractor's material and equipment during performance of the Subcontract.

7.3 Timely Communications – Contractor shall, with reasonable promptness, transmit to the appropriate parties all submittals, transmittals and written approvals relating to Subcontractor's work. Communications by and with Subcontractor's subcontractors and suppliers shall be through Subcontractor.

7.4 Backcharges For Services Rendered or Materials Furnished – Contractor agrees that backcharges for services rendered or materials furnished to Subcontractor shall not be valid unless Contractor gives Subcontractor written notice prior to the furnishing of the services and/or materials, except in an emergency affecting the safety of persons or property.

7.4.1 If requested in writing by Subcontractor, Contractor shall provide written compilations of the charges relating to such services or materials by the last day of the month following that in which the services are rendered or materials are furnished.

7.5 Lavout Responsibility and Levels – Contractor shall establish principal axis lines and elevations of the structures and site. Subcontractor shall layout and be strictly responsible for the accuracy of Subcontractor's work and for any loss or damage to Contractor or others by reason of Subcontractor's failure to set out or perform its work correctly. Subcontractor shall exercise prudence so that the actual final conditions and details of its work shall result in alignment of finish surfaces.

7.6 Owner Ability to Pay – Subcontractor shall have the right to review with Contractor all information that Contractor has obtained relative to Owner's financial ability to pay for the Contract work.

ARTICLE 8 SUBCONTRACTOR'S OBLIGATIONS

8.1 Responsibilities – Subcontractor shall furnish all labor, materials, equipment and services necessary or incidental to perform its work in accordance with the Subcontract Documents. If requested by Contractor, Subcontractor shall provide to Contractor a list of its proposed subcontractors and suppliers.

8.2 Compliance with Laws, Rules, Ordinances and Regulations – Subcontractor shall, at its sole cost and expense, and without increase in the Subcontract Price, comply with all laws, rules, ordinances and regulations of all governing bodies having jurisdiction over the work, pay all manufacturers' taxes, sales taxes, use taxes, and all federal and state taxes, insurance and contribution for Social Security and unemployment which are measured by wages, salaries or other remunerations paid to Subcontractor's employees, whether levied under existing or subsequently enacted laws, rules or regulations.

8.2.1 Subcontractor shall give adequate notices to all required parties pertaining to Subcontractor's work and secure and pay for all permits, fees, licenses, assessments, and inspections necessary to complete its work in accordance with the Subcontract Documents.

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8.2.2 Subcontractor shall be compensated for additional costs resulting from laws, ordinances, rules, regulations and taxes enacted after the date of the Contract only to the extent such additional costs are paid to Contractor by Owner.

8.3 Site Visitation – Subcontractor acknowledges that it has visited the project site and visually inspected the general and local conditions which could affect its work. Any failure of Subcontractor to reasonably ascertain, from a visual inspection of the site, the general and local conditions which could affect its work will not relieve Subcontractor from its responsibility to properly complete its work without change in the Subcontract Price.

8.4 Shop Drawings, Samples, Product Data and Manufacturers' Literature – Subcontractor shall promptly submit to Contractor for approval all shop drawings, samples, product data, manufacturers' literature and similar submittals required by the Contract. Subcontractor shall be responsible to Contractor for the accuracy and conformity of its submittals to the Contract requirements. Subcontractor shall prepare and deliver its submittals to Contractor in a manner consistent with the progress schedule and in such time and sequence so as not to delay Contractor or others in the performance of the Contract work. The approval of any Subcontractor submittal shall not be deemed to authorize deviations, substitutions or changes in the requirements of the Subcontract Documents unless express written approval is obtained from Contractor and Owner authorizing such deviation, substitution or change. In the event the Contract does not contain submittal requirements pertaining to Subcontractor's work, Subcontractor agrees upon request to submit to Contractor in a timely fashion for approval any shop drawings, samples, product data, manufacturers' literature or similar submittals as may reasonably be required.

8.4.1 Contractor, Owner and Architect are entitled to rely on the accuracy and completeness of any professional certifications required by the Subcontract Documents concerning the performance criteria of systems, equipment or materials, including all calculations and any governing performance requirements.

8.5 Coordination and Cooperation – Subcontractor shall:

- (a) cooperate with Contractor and all others whose work may interface with Subcontractor's work;
- (b) specifically note and immediately notify Contractor of any interference with Subcontractor's work; and
- (c) participate in the preparation of coordination drawings and work schedules involving Subcontractor's work.

8.6 Authorized Representative – Subcontractor shall designate in writing one or more competent contractor-approved persons who shall be the authorized Subcontractor representative(s) on-site and off-site. Such authorized representative(s) shall be the only person(s) to whom Contractor shall issue instructions, orders or directions, except in an emergency.

8.7 Communications – Subcontractor communications by and with Owner, Architect, separate contractors and/or other subcontractors and suppliers of Contractor, regardless of tier, shall be through Contractor.

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8.8 Tests, Inspections and Approvals – Subcontractor shall coordinate and notify Contractor of all required tests, inspections and approvals of Subcontractor's work so as not to delay the performance of the work. Subcontractor shall schedule and provide proper written notice to all required parties of such tests, inspections and approvals.

8.9 Workmanship – Every part of Subcontractor's work shall be executed in accordance with the Subcontract Documents in a workmanlike manner. All materials needed by Subcontractor shall be furnished in sufficient quantities to facilitate the proper and expeditious execution of the work, and shall be new except such materials as may be expressly provided in the Subcontract Documents to be otherwise.

8.10 Materials or Equipment Furnished by Others – In the event the scope of Subcontractor's work includes installation of materials or equipment furnished by others, it shall be the responsibility of Subcontractor to inventory, examine, store and install the items, with such skill and care as to ensure a satisfactory and proper installation. Subcontractor shall promptly notify Contractor in writing of any defective materials or equipment.

8.11 Substitutions – No substitutions shall be made by Subcontractor unless permitted in the Subcontract Documents and only then upon Subcontractor first receiving all approvals required under the Subcontract Documents for substitutions. If Subcontractor initiates a substitution, deviation or change in the work which affects the scope of the work or the expense of other trades, Subcontractor shall be liable for all resulting expenses.

8.12 Warranty – Subcontractor warrants all materials and workmanship and agrees to replace at its sole cost and expense, and to the satisfaction of Contractor, any materials that are defective or improperly installed, and indemnifies Contractor from and against any liability, loss or damage arising from or relating to such materials and installation through the period of Subcontractor's performance and for a period of one year from completion of the Contract. If the period of warranty is specified in excess of one year by the Contract, Subcontractor shall be bound for the longer period specified.

8.13 Uncovering of Work – If required in writing by Contractor, Subcontractor must uncover any portion of its work which has been covered. All costs associated with the uncovering and related work shall be borne as follows:

- (a) If the work was covered in violation of the Subcontract Documents or contrary to a written directive issued to Subcontractor by Contractor, the uncovering, any corrective work and restoration shall be at Subcontractor's expense.
- (b) If the work was not covered in violation of the Subcontract Documents or contrary to a written directive issued to Subcontractor by Contractor, the Subcontract shall be adjusted by change order for all costs of uncovering and restoring any work which proves to be installed in accordance with the Subcontract Documents.
- (c) If any uncovered work does not comply with the Subcontract Documents and Subcontractor is responsible for the nonconforming condition, Subcontractor shall be responsible for all costs of uncovering, correcting and restoring the work so as to make it conform to the Subcontract Documents.

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8.14 Correction of Work – Subcontractor is required to correct in a timely fashion any of its work rejected by Contractor or Owner for failing to comply with the Subcontract Documents whether observed prior to the commencement of the warranty period(s) or during the warranty period(s). Subcontractor shall correct at its own cost and bear the expense of additional services for any nonconforming work for which it is responsible, and shall remain responsible even after the warranty period for fraud, misrepresentation or latent defects.

8.15 Cleanup – Subcontractor shall follow Contractor's cleanup directions, and:

- (a) at all times keep the building and premises free from debris resulting from Subcontractor's work;
- (b) broom or rake clean each work area prior to discontinuing work in each area; and
- (c) Subcontractor's work shall not be considered complete until Subcontractor removes from the site all temporary structures, debris and waste incident to its operation and cleans all surfaces, fixtures, equipment, etc., relative to the performance of its work.

If Subcontractor fails to immediately commence compliance with the above cleanup duties after written notification from Contractor of noncompliance, Contractor may implement appropriate cleanup measures without further notice and deduct the resulting costs from any amounts due or to become due Subcontractor under the Subcontract.

8.16 Safety – Subcontractor is responsible for prevention of accidents arising from or relating to its work. Subcontractor shall comply fully with all federal, state and local laws, orders, citations, rules, regulations, standards and statutes affecting or relating to the Subcontract or its performance. Subcontractor shall comply with the accident prevention and safety program of Owner and Contractor. Establishment of a safety program by Contractor shall not relieve Subcontractor of its safety responsibilities. Subcontractor shall establish its own safety program implementing safety measures, policies and standards conforming to those required by governmental authorities having jurisdiction and by Contractor and Owner. Subcontractor shall notify Contractor immediately following an accident and promptly confirm the notice in writing. A detailed written report shall be furnished to Contractor. Subcontractor shall indemnify and hold Contractor harmless from all fines, penalties or costs of abatement imposed on Contractor as a result of safety violations caused by Subcontractor's failure to comply with applicable safety requirements. Subcontractor shall notify Contractor of any unsafe condition it discovers or observes and shall stop work until informed by Contractor that it may resume work.

8.16.1 Should Subcontractor encounter any hazardous substances at the site which are potentially harmful to persons or property, Subcontractor shall take all steps required by the Subcontract Documents and by law to protect persons and property from injury or damage, including stopping Subcontractor's work in the affected area(s) and promptly notifying Contractor in writing of the conditions encountered at the site. Should Subcontractor be required to stop work in any area of the project as a result of hazardous substances located at the site, Subcontractor shall not resume work in the affected area(s) until the hazardous substances have been removed or made harmless, all necessary approvals to resume work are obtained and Contractor gives Subcontractor written direction to resume work.

8.16.2 All safety sheets, plans, submittals or other such documents required by law or the Subcontract Documents pertaining to materials or substances used or consumed in the performance of Subcontractor's

work shall be submitted to Contractor by Subcontractor. Any such safety sheets, plans or submittals obtained by Contractor from other subcontractors or sources shall be made available to Subcontractor by Contractor.

8.17 Delegation or Subcontracting of Duties – Subcontractor is prohibited from delegating, transferring, conveying, subcontracting, relinquishing or otherwise disposing of the whole or any part of its duties under this Subcontract without the prior written approval of Contractor, which shall not be unreasonably withheld. Lower-tier subcontractors approved by Contractor on or before the effective date of the Subcontract may be listed below:

Subcontractor shall incorporate all terms of this Subcontract in any subcontracts or purchase orders with its subcontractors and suppliers.

8.18 Duty to Proceed – In the event of any dispute or controversy with Contractor, another subcontractor or other third party involved with the project, Subcontractor shall not cause or permit any delay or cessation of its work or cause delay or disruption to the work of any other subcontractor or Contractor on the project, but shall proceed with performance of its work pending resolution of such dispute or controversy. Contractor shall continue to make payments in accordance with the Subcontract.

8.19 Force Account Work – When directed in writing by Contractor, Subcontractor shall perform such additional work as directed by Contractor and Contractor shall pay to Subcontractor the actual costs of such directed work plus Subcontractor's overhead and profit at a combined rate of 15% of such actual costs. This provision shall not apply to Owner directed force account work or disputed work.

8.20 Workers – Contractor may order the removal from the job of any workers Contractor reasonable finds disruptive, incompetent, in violation of safety requirements/programs or otherwise detrimental to the successful completion of the project.

8.21 Contractor Expending Money – Whenever any money is expended or costs or expenses are incurred by Contractor on behalf of or on account of Subcontractor, which amounts Subcontractor should have paid, and for which amounts Subcontractor is required to reimburse Contractor, or if Contractor continues or completes the work after default by Subcontractor, Subcontractor shall pay to Contractor interest at the rate of 10% per annum from the time said money is expended or said costs or expenses are incurred until those amounts are repaid to Contractor by Subcontractor. Nothing contained in this provision or Subcontract shall be construed as requiring Contractor to make any such expenditures, advance any such money, or incur any such expenses. In the event that the balance of the monies due pursuant to this Subcontract are insufficient to cover Contractor's damages or exposure, then Contractor shall have the right to offset against monies owed Subcontractor on other projects, if any.

8.22 Protection of the Work – Subcontractor shall secure and protect the work done pursuant to this Subcontract until final acceptance by Contractor and Owner.

ARTICLE 9 LABOR RELATIONS

9.1 General Provisions – Employment of labor by Subcontractor shall be effected under conditions which are satisfactory to Contractor. Subcontractor shall keep a representative at the job site during all times when

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Subcontractor's work is in progress, and such representative shall be authorized to represent Subcontractor as to all phases of the work. Prior to commencement of the work, Subcontractor shall notify Contractor in writing who Subcontractor's representative is to be, and in the event of any change of representative Subcontractor shall notify Contractor who the new representative is to be prior to such change becoming effective.

9.1.1 Subcontractor acknowledges that Contractor has entered into labor agreements covering work at its construction job sites with the following labor unions: N/A. If requested by Subcontractor, Contractor shall provide copies of all such labor agreements to Subcontractor. Subcontractor agrees to comply with all of the terms and conditions of those labor agreements set forth above. Subcontractor agrees, at its own expense, upon request of Contractor, to take all lawful steps to secure a binding and final determination of any jurisdictional dispute by the National Labor Relations Board.

9.1.2 Subcontractor will require all of its subcontractors and their subcontractors performing job site work to comply with the labor agreements specified above, and labor agreements which are binding upon them.

9.1.3 Subcontractor will indemnify and hold Contractor harmless from and against any liability, loss, damage, cost, claims, awards, judgments, fines, expenses, including litigation expenses, reasonable attorneys' fees and any other costs which may be incurred by Contractor resulting from Subcontractor's failure to comply with the above requirements.

9.2 Reserved Gate Usage – Subcontractor shall notify in writing and assign its employees, materialmen and suppliers to such gates or entrances as may be established for their use by Contractor and in accordance with such conditions and at such times as may be imposed by Contractor. Strict compliance with Contractor's gate usage procedures shall be required by Subcontractor who shall be responsible for such gate usage by its employees, materialmen, suppliers, subcontractors, and their materialmen and suppliers.

9.3 Staggered Days and Hours of Work and for Deliveries – Subcontractor shall schedule the work and the presence of its employees at the job site and any deliveries of supplies or materials by its materialmen and suppliers to the job site on such days, and such times and during such hours, as may be directed by Contractor. Subcontractor shall assume responsibility for such schedule compliance not only for its employees but for all its materialmen, suppliers and subcontractors, and their materialmen and suppliers.

9.4 Work Stoppages – Work stoppages (including sympathy strikes) or any other stoppage of work by employees performing work on, or delivering supplies or materials to, the job site shall not excuse any delay of Subcontractor in the proper performance of its work, regardless of whether the strike or other stoppage of work is attributed to union action or the action of an individual employee.

9.5 Default – Should Subcontractor default in the proper performance of its work, for reasons specified in this provision, Contractor may, as its option, terminate the Subcontract for cause in accordance with the termination for cause provision.

ARTICLE 10 INSURANCE

10.1 Subcontractor's Insurance – Prior to start of its work, Subcontractor shall procure for its work and maintain in force Workers' Compensation Insurance, Employer's Liability Insurance, Comprehensive

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Automobile Liability Insurance, Comprehensive or Commercial General Liability Insurance on an occurrence basis, and any other insurance required of Subcontractor by the Subcontract Documents. Contractor shall be named as additional insured on each of these policies except for Workers' Compensation. Subcontractor shall also name as additional insured all other parties identified in the Contract to be so named. Subcontractor's insurance shall include contractual liability insurance covering Subcontractor's obligations under the Subcontract, including all indemnification provisions included in the Subcontract. Subcontractor shall provide completed operations coverage and maintain the same in full force for the duration of Subcontractor's work.

10.2 Minimum Limits of Liability – Subcontractor's Comprehensive or Commercial General Liability Insurance and Comprehensive Automobile Liability Insurance shall be written with limits of liability which meet the requirements set forth in the Contract, but at a minimum are not less than the following:

A. Comprehensive General Liability Insurance including completed operations:

- | | | |
|----|---|--|
| 1. | Combined Single Limit
Bodily Injury and
Property Damage | \$1 million for each occurrence
\$1 million aggregate |
| | or | |
| 2. | Bodily Injury | \$1 million for each occurrence
\$1 million aggregate |
| 3. | Property Damage | \$1 million for each occurrence
\$1 million aggregate |

B. Commercial General Liability Insurance:

- | | | |
|----|---|---------------------------------|
| 1. | Each Occurrence
Limit | \$1 million |
| 2. | General Aggregate | \$2 million |
| 3. | Products/Completed
Operations Aggregate | \$2 million |
| 4. | Personal and
Advertising Injury
Limit | \$1 million for each occurrence |

C. Comprehensive Automobile Liability Insurance:

1. Combined Single Limit
Bodily Injury and
Property Damage \$1 million for each occurrence
or

- | | | |
|----|-----------------|--|
| 2. | Bodily Injury | \$1 million for each person
\$1 million for each occurrence |
| 3. | Property Damage | \$500,000.00 aggregate |

10.3 Cancellation, Renewal or Modification – Subcontractor shall maintain in effect all insurance coverage required under the Subcontract at Subcontractor's sole expense and with insurance companies rated as required by Owner but no less than a Best rating of A- or better. All insurance policies shall contain a provision that the coverages afforded shall not be canceled or not renewed, nor restrictive modifications added, until at least thirty (30) calendar days' prior written notice has been given to Contractor. Certificates of Insurance and additional insured endorsements shall be filed with Contractor prior to the commencement of Subcontractor's work. In the event Subcontractor fails to obtain or maintain any insurance coverage required under the Subcontract, Contractor may purchase such coverage and charge its expense to Subcontractor, or terminate the Subcontract for cause in accordance with the termination for cause provision of the Subcontract.

10.4 Builders Risk Insurance – Builder's Risk Insurance

- | | |
|-------------------------------------|--|
| <input type="checkbox"/> | Is provided by Contractor |
| <input type="checkbox"/> | Is provided by Owner |
| <input checked="" type="checkbox"/> | Is not provided by Contractor or Owner |

If Builder's Risk Insurance is provided by Contractor or Owner, upon written request by Subcontractor, Contractor shall provide Subcontractor with a copy of the Builder's Risk policy of insurance.

10.4.1 If Builder's Risk Insurance is provided by Owner or Contractor, then Contractor and Subcontractor waive all rights against each other and Owner, Architect, Architect's consultants and agents or employees of any of them, separate contractors, and all other subcontractors for loss or damage to the extent covered by Builder's Risk, except such rights as they may have to the proceeds of such insurance. However, this waiver shall not extend to the acts or omissions of Architect, Architect's consultants, and the agents or employees of any of them.

10.5 Endorsement – If the policies of insurance referred to in this Article require an endorsement to provide for continued coverage where there is a waiver of subrogation, the owners of such policies will cause them to be so endorsed.

ARTICLE 11 INDEMNIFICATION

11.1 General Indemnity – All work covered by the Subcontract done at the site of construction or in preparing or delivering materials or equipment, or any or all of them, to or from the site shall be at the risk of Subcontractor exclusively. To the fullest extent permitted by law, Subcontractor shall, with respect to all work which is covered by or incidental to the Subcontract, indemnify, hold harmless and defend Contractor from and against any and all allegations, losses, claims, actions, demands, damages, liabilities, or expenses (including costs, expenses and attorneys' fees), arising from or relating to the death or bodily injury to persons, injury to property, design defects (if design originated by Subcontractor), or other loss, damage or expense. Subcontractor's duty to indemnify shall include all damages caused or alleged to be caused in whole or in part by any negligent act or omission, whether active or passive, of: (a) Subcontractor; (b)

anyone directly or indirectly employed by Subcontractor; (c) anyone for whose acts Subcontractor may be liable; or (d) Contractor. Subcontractor shall not be obligated to indemnify Contractor with respect to the sole negligence or willful misconduct of Contractor, its agents, servants or subcontractors who are directly responsible to Contractor, excluding Subcontractor.

11.1.1 However, if Owner does not require Contractor to provide a Type I indemnity to Owner (*i.e.*, only Owner's sole negligence and willful misconduct are excluded from the indemnity), paragraph 11.1 shall not apply and Subcontractor's indemnity to Contractor shall be the same indemnity Contractor is required to provide to Owner. In such event, Subcontractor agrees to Owner's indemnity provision with the substitutions of "Contractor" for "Owner" and "Subcontractor" for "Contractor."

11.2 Indemnification for Noncompliance With Laws – Subcontractor shall fully indemnify and hold Contractor harmless from all loss, costs and expenses attributable to any acts or omissions by Subcontractor which constitute a failure to comply with any laws, rules, ordinances and / or regulations of any governmental entity or agency.

11.3 Patents – Subcontractor shall pay all royalties and license fees which may be due on the inclusion of any patented materials in Subcontractor's work. Subcontractor shall defend all suits for claims for infringement of any patent rights arising out of Subcontractor's work, which may be brought against Contractor or Owner, and shall be liable to Contractor and Owner for all loss, including all costs, expenses and attorneys' fees in any such suit.

ARTICLE 12 CHANGES

12.1 Performance – Subcontractor shall proceed with all written directions issued by Contractor so as not to delay the work. Subcontractor shall adhere strictly to the Subcontract Documents unless directed otherwise in writing. Subcontractor shall not make any changes to the work set forth in the Subcontract Documents, either as additions or deletions, without the written direction of Contractor.

12.2 Incorporating Changes – All provisions of this Subcontract shall apply to any changes or extras in a like manner and to the same extent as though said changes or extras were incorporated in the Subcontract.

12.3 Notification of Additional Costs or Time – Subcontractor shall immediately provide written notification to Contractor if a written direction could result in additional costs or time of performance so that Contractor has sufficient time to take actions to minimize any additional costs or time, and has sufficient time to provide notification to Owner in accordance with the Contract.

12.4 Submission of Cost Proposals and Requests For Time Extensions – Subcontractor shall submit its cost proposal(s) in sufficient time for Contractor to comply with any submission requirements of Owner. All such cost proposals shall itemize, in a form acceptable to Contractor, any change in costs or time for performance which result from any written direction issued by Contractor.

12.5 Cost Proposal Negotiations – At Subcontractor's request, it shall be invited to attend and participate in all negotiations with Owner or others that relate to settlement or resolution of its cost proposals. At Contractor's request, Subcontractor shall attend and participate in negotiations with Owner or others that relate to settlement or resolution of Subcontractor's cost proposals.

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ARTICLE 13 DELAYS

13.1 Excusable Delays – An excusable delay is one which is caused by circumstances or events beyond the control and without the fault or negligence of Contractor or Subcontractor, and which is recognized by the Contract as “excusable,” that is, a delay for which the contract time is extended but for which no compensation is allowed. To the extent excusable delays occur and affect Contractor’s and/or Subcontractor’s ability to complete their work in accordance with the updated progress schedule, the affected party’s time for performance shall be extended, but only to the extent such extensions are allowed by Owner.

13.2 Subcontractor Caused Delays – Subcontractor caused delays are delays caused by the failure of Subcontractor, or any party for which Subcontractor is responsible, to perform any portion of its work in accordance with the updated progress schedule. If Subcontractor delays cause delay and/or disruption to the Contract work, Subcontractor shall be liable for all costs and damages sustained by Contractor or for which Contractor may be liable to Owner or any other party, including consequential damages and liquidated damages. If Subcontractor delays are only one of multiple causes for delay to the Contract work, Subcontractor shall only be liable for its proportionate share of any resulting damages.

13.3 Contractor Caused Delays – Contractor caused delays are delays caused by the failure of Contractor, or any party for which Contractor is responsible, to perform any portion of its work in accordance with the updated progress schedule. If Contractor delays cause delay and/or disruption to Subcontractor’s work, Contractor shall be liable for all costs and damages sustained by Subcontractor, or for which Subcontractor may be liable to any other party, including consequential damages. If Contractor delays are only one of multiple causes for delay to Subcontractor’s work, Contractor shall only be liable for its proportionate share of any resulting damages.

13.4 Concurrent Delays – Concurrent delays are delays which can be attributed to either: (a) excusable delays and Subcontractor caused delays occurring concurrently; or (b) excusable delays and Contractor caused delays occurring concurrently. To the extent any portion of a delay is concurrent delay, and affects Contractor’s and/or Subcontractor’s ability to complete its work in accordance with the updated progress schedule, the period of performance shall be extended but neither Contractor nor Subcontractor shall be entitled to recover any costs or damages.

13.5 Disputed Delays – If Subcontractor disputes the determination of the cause of any delay and wishes to pursue that dispute, it must comply with the Claims article of the Subcontract.

ARTICLE 14 CLAIMS

14.1 Claim – A claim is a written demand by Subcontractor seeking an adjustment in the Subcontract Price and/or time, or the recovery of withheld disputed funds.

14.2 Notification of Claims – Subcontractor shall immediately provide written notification to Contractor of any claims so that Contractor has sufficient time to take actions to minimize any additional costs or time, and has sufficient time to provide notification to Owner in accordance with the Contract.

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14.3 Submission of Claims – Subcontractor shall submit its claims in sufficient time for Contractor to comply with any submission requirements of Owner. All such claims shall itemize, in a form acceptable to Contractor, any additional costs or time for performance being sought by Subcontractor.

14.4 Claims with Owner – To the extent Contractor determines Subcontractor's claim is one for which Owner may be liable, the following procedure shall apply:

- (a) Contractor will present Subcontractor's claim to Owner's first level designated representative. The decision of such representative will be conveyed in writing to Subcontractor and such decision shall be final unless Subcontractor notifies Contractor in writing of its desire to proceed further in sufficient time for Contractor to comply with any notification or submission requirements to Owner.
- (b) Upon receipt of Subcontractor's notice to proceed further, at Contractor's option, Subcontractor's claim may be further pursued with Owner. In such event, Contractor may allow Subcontractor to act in its own behalf and with its own consultants/attorneys at Subcontractor's cost to continue the required process and any subsequent administrative proceeding or litigation. If Contractor does not allow Subcontractor to act in its own behalf or it is procedurally impermissible for Subcontractor to proceed in its own behalf, and Contractor elects to allow the continued pursuit of Subcontractor's claim, then at the written request of Subcontractor, Contractor will proceed with the dispute on condition that Subcontractor pay to Contractor all of its actual costs arising out of such process, including but not limited to attorneys' fees, court costs and the costs of Contractor's personnel employed in pursuing the case against Owner.
- (c) If Contractor elects to not allow further pursuit of Subcontractor's claim against Owner, and Subcontractor disputes such decision, Subcontractor may pursue its claim pursuant to the Disputes Resolution Article of the Subcontract.
- (d) Nothing shall prevent Contractor from accepting a contract modification from Owner which preserves the rights of Subcontractor.
- (e) If because of Subcontractor's claim, Owner withholds any sums due Contractor, then Subcontractor shall pay to Contractor interest on the amounts so withheld at the rate of 10 percent per annum. If Owner withholds sums due Subcontractor as a result of a claim of Contractor, Contractor shall pay to Subcontractor interest on the amounts so withheld at the rate of 10 percent per annum.

ARTICLE 15 DISPUTES RESOLUTION

15.1 Claims Not Involving Owner – To the extent Subcontractor submits a claim which Contractor determines is one for which Owner may not be liable, or is one which Contractor elects to not allow Subcontractor to further pursue with Owner, or to the extent Contractor has a claim against Subcontractor, the following procedures shall apply and begin within 60 days of notification:

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- (a) If the dispute cannot be settled through direct discussions, the parties shall attempt to settle the dispute by mediation before recourse to any other method of dispute resolution. Unless the parties agree otherwise, the mediation shall be conducted in accordance with the Construction Mediation Rules of the American Arbitration Association.
- (b) If mediation does not resolve the dispute, then the parties may agree to resolve the dispute through binding arbitration. If so, the arbitrator(s)' decision shall be enforceable in a court of law and judgment shall be entered in accordance with such decision.
- (c) If mediation does not resolve the dispute and the parties do not agree to resolution by binding arbitration, either party may proceed with any allowable resolution process.

15.2 Participation In Proceedings – If Contractor receives a claim from any other party and Contractor determines Subcontractor may be liable, in whole or in part, for such claim, Subcontractor shall participate in the disputes resolution process with Contractor and such other party. To the extent practical, Contractor will not agree to binding arbitration or any other form of resolution with the other party without Subcontractor's consent. If, however, Contractor could not have determined, by reasonable diligence, that Subcontractor may be liable for the other party's claim before binding arbitration or any other form of resolution was already agreed upon, Subcontractor shall participate in that arbitration or other form of resolution and shall be bound by the decision rendered in that proceeding.

ARTICLE 16 PAYMENT

16.1 Schedule of Values – Within 10 days of Contractor's request, Subcontractor shall prepare and submit to Contractor a Schedule of Values which breaks down Subcontractor's work into individual activities. Each activity contained in the Schedule of Values shall be assigned a monetary price such that the total of all such items shall equal the Subcontract Price. The Schedule of Values shall be prepared in such detail as may be required by Owner and/or Contractor.

16.2 Payment and Verification – Subcontractor is required to pay for all labor, materials and equipment used in the performance of Subcontractor's work through the most current period applicable to progress payments received from Contractor. Contractor may require reasonable evidence to show that all obligations relating to Subcontractor's work are current through all payments received from Contractor before releasing any payment due for Subcontractor's work.

16.3 Progress Payment Applications – Subcontractor's applications for payment shall be itemized and in accordance with Subcontractor's Schedule of Values and any other substantiating data as required in the Contract for Contractor's payment applications. Subcontract payment applications may include amounts for Subcontract change orders which have been fully executed by Subcontractor and Contractor. Subcontractor cannot include in its payment applications any amounts for changes which have not been fully executed by Subcontractor and Contractor, or for disputed work.

16.4 Stored Materials and Equipment – If allowed by Owner, applications for payment may include materials and equipment not incorporated into Subcontractor's work but suitably stored on or off the site.

Approval of payment applications for materials and equipment stored on or off the site shall be conditioned on: (1) submission by Subcontractor of bills of sale and applicable insurance or such other procedures satisfactory to Owner and Contractor to establish the proper valuation and protection of the stored materials and equipment; (2) Owner's and/or Contractor's title to such materials and equipment; and (3) any other documents or procedures to protect Owner's and Contractor's interests, including during the transportation of such items to the site by Subcontractor.

16.5 Time for Submission of Application – Subcontractor's progress payment application shall be submitted to Contractor in sufficient time for Contractor to include it in Contractor's payment request to Owner. Contractor shall incorporate the amount of Subcontractor's progress payment application approved by Owner into Contractor's payment application to Owner for the same period and timely submit it to Owner. If requested by Subcontractor, Contractor shall inform Subcontractor of Owner's changes to Subcontractor's percentages of completion reflected on Subcontractor's payment application and/or other adjustments affecting Subcontractor.

16.6 Copy of Payment Request – Upon written request, Contractor shall give Subcontractor a copy of that portion of Contractor's most current application for payment reflecting the percentages approved and/or paid by Owner for Subcontractor's work performed to date.

16.7 Lien Waivers – Subcontractor shall provide, in a form satisfactory to Owner and Contractor, lien or claim waivers in the amount of the application for payment from Subcontractor, and its subcontractors, materialmen and suppliers for the completed work. Contractor may refuse to pay Subcontractor if Subcontractor fails to provide such waivers. If such waivers are conditional upon payment, Contractor may choose to make payment by issuance of joint checks to Subcontractor and its subcontractors, materialmen and suppliers. Subcontractor shall not be required to sign an unconditional waiver of lien or claim prior to receiving payment, or in an amount in excess of what it has been paid.

16.8 Application Reduction, Rejection or Nullification – Contractor may reduce or reject a Subcontractor payment application or nullify a previously approved Subcontractor payment application, in whole or in part, as may reasonably be necessary to protect Contractor from loss or damage based upon:

- (a) Subcontractor's failure to perform its work as required by the Subcontract Documents;
- (b) Loss or damage to Owner, Contractor or others to whom Contractor may be liable arising out of or relating to the Subcontract and caused by Subcontractor or its lower tier subcontractors or suppliers;
- (c) Subcontractor's failure to properly pay for labor, materials, equipment or supplies furnished in connection with its work;
- (d) Rejected, nonconforming or defective work which has not been corrected;
- (e) Reasonable evidence of delay in performance of Subcontractor's work such that the work will not be completed within the time allotted by the updated progress schedule, and that the unpaid balance of the Subcontract Price is insufficient to offset the liquidated damages or actual damages that may be sustained by Contractor as a result of the anticipated delay caused by Subcontractor;

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- (f) Reasonable evidence demonstrating that the unpaid balance of the Subcontract Price is insufficient to cover the cost to complete Subcontractor's work;
- (g) Third party claims against Subcontractor or reasonable evidence demonstrating that third party claims are likely to be filed. Subcontractor can eliminate this basis by furnishing Contractor with adequate security in the form of a surety bond, letter of credit or other collateral or commitment which is sufficient to discharge such claims if established;
- (h) Owner's reduction, rejection or nullification of any part of a payment application; or
- (i) Any other failure to comply with the terms and conditions of the Subcontract Documents.

Contractor shall give written notice to Subcontractor, at the time of reducing, disapproving or nullifying an application for payment, of the specific reasons for Contractor's action. When the above reasons for reducing, disapproving or nullifying an application for payment are removed, payment will be made for amounts previously withheld.

16.9 Retention – Contractor may withhold from Subcontractor retention up to a rate of 10 percent, or as provided by law.

16.10 Payment Not Acceptance – Payment to Subcontractor does not constitute or imply acceptance of any portion of Subcontractor's work.

16.11 Final Payment Application – Contractor is required to incorporate Subcontractor's application for final payment into Contractor's next application for payment to the Owner only after the following occur:

- (a) acceptance of Subcontractor's work by Contractor and Owner;
- (b) if requested by Contractor, evidence acceptable to Contractor that all payrolls, bills for materials and equipment, and other indebtedness connected with Subcontractor's work have been fully paid, or will be fully paid by issuance of joint checks in return for unconditional releases;
- (c) if requested by Contractor, consent of Subcontractor's surety to final payment;
- (d) satisfaction of close-out procedures as may be required by the Subcontract Documents; and
- (e) if requested by Contractor, releases and waivers of liens, stop notices, bond rights, or any rights against Contractor, its surety or Owner, effective upon payment, to the extent and in such form as may be designated by Contractor.

16.12 Effect of Final Payment – Acceptance of final payment by Subcontractor shall constitute a waiver of claims by Subcontractor, except for claims reserved in a final release.

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ARTICLE 17 RECOURSE BY CONTRACTOR

17.1 Failure of Performance – If Subcontractor refuses or fails to fully and timely perform its obligations pursuant to the Subcontract, Contractor may, after two (2) working days written notice to Subcontractor, commence and continue satisfactory correction of such failure, and without prejudice to any other rights or remedies, provide the most expeditious correction of the failure by whatever means Contractor deems appropriate and charge the resulting costs to Subcontractor. A failure to fully and timely perform shall include but not be limited to, failing to supply enough properly skilled workers or proper materials, failing to maintain performance in accordance with the updated progress schedule, failing to make prompt payment to its workers, subcontractors or suppliers, disregarding laws, ordinances, rules, regulations or orders of any authority having jurisdiction, or otherwise failing or refusing to comply with any provision of the Subcontract. In the event of an emergency affecting the safety of persons or property, Contractor may proceed to commence and continue satisfactory correction of such failure without first giving two (2) working days' written notice to Subcontractor, but shall give prompt written notice of such action to Subcontractor.

ARTICLE 18 TERMINATION

18.1 Termination For Cause – If Subcontractor fails to perform any of its Subcontract obligations, Contractor may, after seven (7) calendar days written notification and in lieu of or in addition to any other remedies, terminate the Subcontract. A separate written notice of termination shall be issued by Contractor to Subcontractor at the time the Subcontract is terminated. If such a termination occurs, Contractor shall have the right to take and use any materials, equipment, appliances or tools furnished by, belonging or delivered to Subcontractor and located at the project for the purpose of completing any remaining Subcontractor work.

In the event the Subcontract is terminated for cause, Subcontractor shall not be entitled to receive any further payment until the Contract work is completed. At that time, if the amounts earned but not paid Subcontractor before the termination exceed the expenses incurred by Contractor in completing Subcontractor's work, any excess shall be paid by Contractor to Subcontractor; but, if Contractor's expense to complete Subcontractor's work exceeds the amount earned and unpaid, Subcontractor shall promptly pay the excess amount to Contractor. The expense incurred by Contractor shall include Contractor's costs for completing the work, including overhead, profit and attorneys' fees, and any damages incurred by Contractor by reason of Subcontractor's default.

18.2 Termination By Owner – If Owner terminates the Contract, or any part which includes portions of Subcontractor's work, Contractor shall notify Subcontractor in writing and Subcontractor shall immediately stop the performance of the terminated work, follow Contractor's instructions regarding any shutdown and termination procedures, and mitigate all costs. If Owner's termination partially eliminates Subcontractor's work, Contractor may terminate the Subcontract in its entirety.

18.2.1 Contractor's liability to Subcontractor for any damages incurred or claims resulting from Owner termination for convenience shall be limited to the amount Owner is determined to be liable to Contractor for Subcontractor's damages. Contractor's liability to Subcontractor for Owner's termination for cause shall be determined pursuant to the Claims and Disputes Resolution Articles of the Subcontract.

**ARTICLE 19
SUSPENSION OF WORK**

19.1 Contractor may order Subcontractor in writing to suspend all or any part of Subcontractor's work for such period of time as Contractor deems appropriate. Contractor's liability to Subcontractor for any delay or disruption resulting from such suspension shall be determined pursuant to the Claims and Disputes Resolution Articles of the Subcontract. If the suspension is directed or caused by Owner, Contractor's liability to Subcontractor shall be limited to the amount Owner is determined to be liable to Contractor for Subcontractor's damages.

**ARTICLE 20
ASSIGNMENT OF SUBCONTRACT**

20.1 Subcontractor shall not, without written consent of Contractor, assign its rights in the Subcontract to others. This Subcontract may be assigned by Contractor to its bonding company.

~ END ~

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SUBCONTRACT

SIGNATURE PAGE

Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P. O. Box 26000, Sacramento, California 95826.

Representation By Contractor

Contractor represents to Subcontractor that this Subcontract is the "Long Form Subcontract Between General Contractor and Subcontractor" which was developed by The Associated General Contractors of America, San Diego Chapter, Inc. Neither Contractor nor Subcontractor have modified the printed language of the standard form agreement except by strike outs, interlineations or the like which have been initialed by both parties, or by attachments which are identified and attached. Contractor and Subcontractor may rely on all other printed portions of the Subcontract as being unaltered from the form contract published by AGC San Diego. Any change to the printed language which was not initialed by both parties or set forth in an attachment shall have no force and effect on either party and both parties shall instead be bound by the unaltered printed language. This provision does not apply to the language which must be inserted into the blank spaces or to the blocks which must be checked. Those items need not be initialed by the parties.

Representation By Subcontractor

Subcontractor warrants that it is properly licensed by the Contractors' State License Board of the State of California with the proper license classifications for performance of its work. Subcontractor further warrants that its license is and will remain current, active and in good standing all times during performance of its work.

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**This Subcontract has important legal and insurance consequences.
Consultation with an attorney and insurance consultant is encouraged with
respect to its completion or modification.**

The parties have executed this Subcontract for themselves, their heirs, executors, successors, administrators and assigns at the place and on the day and year first written above.

SUBCONTRACTOR

Firm: Baker Electric

By *George England*

Print Name/Title George England / Group Manager

CA Contractor's License # C10-161756

Federal I.D. # 95-1853701

State of Incorporation California

Partnership

Proprietorship ☐

CONTRACTOR

Firm: Cornerstone Building Group

By *Richard Duggan*

Print Name/Title Richard Duggan, CEO

CA Contractor's License # 812183

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Immersive Infantry Trainer
MCB Camp Pendleton
CORNERSTONE BUILDING GROUP PROJECT NO. 622

ATTACHMENT "A" TO SUBCONTRACTOR AGREEMENT NO.: 622 - 16100S

SUBCONTRACTOR: BAKER ELECTRIC, INC

1. The above-referenced Contract Number must appear on all packages, bills of lading, packing slips, billings, and correspondence.
2. Subcontractor shall provide satisfactory Faithful Performance and Payment Bonds for 100% of Subcontractor's contract amount if contract exceeds \$100,000.00. All Bonds must be executed by an admitted insurer listed in the Federal Register and have a AA rating. Cost of Bonds shall be included in contract amount. Note: (see AGC Contract Article 4, Surety Bonding Section 4.2)
3. SUBMITTALS - Where required in each Specification Section, Subcontractor shall provide complete material submittals in accordance with Specification Section 01300 and Article 23 and 31 of the General Conditions, with the exception that Contractor shall be supplied with 6 volumes of manufacturer's literature, one sepia transparency of each sheet, six blue line or black line prints of each sheet, and 6 samples. One copy will be returned to Subcontractor. All submittals shall be delivered to Contractor's job site office as a complete package per the time schedule in Section 01300-1.3-C, except that all submittals shall be submitted to Contractor within 5 calendar days after Notice to Proceed to Contractor.

SUBCONTRACTOR'S RESPONSIBILITY OF COMPLIANCE - Subcontractor is reminded of the stringent requirements for material submittals, which shall be vigorously enforced during this Project. Subcontractor shall be solely responsible for compliance with all Contract Document requirements relative to material submittals including absolute conformance with the terms and/or definitions of required submittal items delineated in the General Requirements and/or Section 01330 - SUBMITTAL PROCEDURES except as modified herein which shall prevail.

FORM AND FORMAT - Present all complete submittals for each individual Specification Section in individually-bound volumes, titled with the Project name and number as well as the individual Specification Section to which it pertains. Provide an index of included items using the same order and format as delineated in each Specification Section for "Submittals" as the first page of each volume. Title the index with the applicable Specification Section name and number. Each submittal item to be incorporated into the Project shall be clearly marked and identified in the submittals and catalogue data and shall be cross-referenced to the Contract drawings and/or Specifications so as to clearly identify the use for which it is intended. Clearly mark each sheet in each volume in the same numerical sequence as each Specification Section paragraph is arranged.

SUBCONTRACTOR'S STATEMENT(S) OF COMPLIANCE: Make a statement for each Specification paragraph or subparagraph which is preceded with a number or letter. Such statement will be used to communicate what Subcontractor is submitting. In cases where the paragraph implies instruction only, the word "NOTED" may be used indicating acknowledgement. Otherwise, a statement requiring a formal answer from the Architect should be made. Where common building materials, such as wire or pipe, are specified, Subcontractor may use the words "AS SPECIFIED", indicating total and strict compliance with the referenced paragraph. If any product, product data, and/or product description in the Specification Section will not be used and/or is not pertinent to this project, indicate such with "NOT APPLICABLE" next to the item. All other paragraphs involving a manufactured product and its installation requirements shall be submitted as specified herein, using the Specification number system for identification.

Subcontractor's Initials JP

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1
JP

Any submittal or portion thereof which is returned from the Architect/Owner marked "REVISE AND RESUBMIT" or "REJECTED" shall be so remedied and/or corrected, and returned to Contractor by Subcontractor within 5 business days of Subcontractor's receipt of such returned submittal.

SUBMITTAL CERTIFICATION BY SUBCONTRACTOR: All submittals shall be complete, correct, and in proper format in all respects. All submittals shall clearly state whether product(s) falls into one of the three following categories:

3. A. "As Specified.
4. B. "Or Equal" – referencing Article 30 of the General Conditions. "Or Equal" materials must be accompanied with a request for substitution for product of manufacturer which is not specifically named.
5. C. "Substitution" – reference paragraph-covering substitutions below. Such submittal shall contain both the specified product's literature as well as the proposed substitution's product literature for the Architect's comparison.

All submittals shall be so certified by Subcontractor. At time of transfer of Subcontractor's proposed submittal packages to Contractor for approval, such volumes shall be accompanied with the following statement, on Subcontractor's letterhead, and signed by an authorized and responsible person of your company:

"I hereby certify that the equipment/material/article shown or marked in these submittals and proposed to be incorporated into the work of Contract No. 622 -16100S are in complete compliance with the Contract Documents and can be installed in the allocated spaces".

NAME OF SUBCONTRACTOR: BAKER ELECTRIC, INC

AUTHORIZED SIGNATURE: _____

JOB TITLE: _____

DATE: _____

Any and all submittals without such signed certification may be rejected. It shall be construed that the above statement is in effect for any and all submittals given to Contractor by Subcontractor, whether so indicated or not on individual submittals by Subcontractor's signature on this Subcontractor Agreement.

SUBMITTAL PROCESSING COSTS – Contractor will absorb and pay all costs for submittal approval for normal processing of material submittals in accordance with Contract Documents providing such submittals are complete, correct, and in proper format. However, Subcontractor will be responsible and liable for all Contractor and Designer costs incurred with re-submittals, re-review, re-certification, and/or requests for material substitutions/deviations, and/or "Or Equal" products.

SUBSTITUTIONS – Substitutions are discouraged for work, materials, equipment, or methods of installation on this project. Referencing Article 5.21.2 (Substitutions) of the General Conditions and Specification Section 01340, substitutions are permitted provided that Subcontractor can establish equality required by Owner/Architect and Request for Substitution is submitted to the Contractor within 30 calendar days of the Owner's Notice to Proceed to Contractor. Subcontractor shall assume any and all liabilities for costs, delays, disruptions, and/or out-of-phase work of other trades resulting from Subcontractor's proposed substitution, whether approved or disapproved.

Approved material submittals must be on file at the job site before delivery of proposed materials to the job site.

4. Referencing Section 01730 and where specifically required in the Contract Documents, Subcontractor shall provide Contractor with instruction manuals, parts lists, and operating and

Subcontractor's Initials JB

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maintenance manuals in the form and format specified, except that the number of such documents provided to Contractor shall be two more than specified in such Contract specifications. All manuals must be delivered to Contractor within 10 days of receipt of said equipment.

5. Subcontractor shall provide and update as required names, addresses, and phone numbers of all key personnel.

6. A Daily Report must be filled out by Subcontractor and in Contractor's job site trailer no later than 5:00 p.m. the same day **without exception**. The form will be furnished by Contractor. All areas of the form must be filled out. Subcontractor shall be solely responsible for assuring that the information is complete and in agreement with Subcontractor's certified payroll reports. Subcontractor's failure to submit correct daily reports may cause Contractor to withhold portions of Subcontractor's progress payments.

7. Certified Payroll Reports (one original and two copies) are due on a weekly basis and must be delivered to Contractor no later than 10 calendar days after Subcontractor's work has been performed. Reports must conform exactly with the actual hours worked and reported at the job site. Wage rates must be in compliance with the Prevailing Wage Rates governing this Project. It is Subcontractor's responsibility to verify his own employees' hourly pay rate.

For any Subcontractor unfamiliar with certified payroll, Contractor will instruct Subcontractor on how to fill the report out **the first time only**. Subcontractor is solely responsible for all subsequent reports.

If Subcontractor pays fringe benefits into an approved plan/fund/program, Subcontractor must submit the name of said plan with an itemized breakdown of the hourly dollar amounts with Subcontractor's first certified payroll report. Apprenticeship employees' paperwork must also be submitted whenever an apprentice appears on the daily reports. In addition, Subcontractor shall provide Contractor with proof that dues are being contributed to said plan by submitting a copy of the monthly report and a copy of the check you are submitting with the certified payroll report.

Contractor reserves the right to interview any person(s) working on the job site to clarify the trade classification and rate of pay. Furthermore, Contractor reserves the right to request copies of canceled payroll checks as proof of payment to said employees.

Subcontractor understands that Contractor may withhold entire amount of progress payment if subcontractor is delinquent on providing certified payroll reports or has failed to correct noted deficiencies on reports.

8. Subcontractor shall provide proof of insurance to Contractor in accordance with Clause A INSURANCE, of the General Subcontract Provisions of the AGC Standard Form Subcontract Agreement except as modified herein, which shall prevail. Such insurance certificates must be on file at Contractor's job site office before Subcontractor may commence work at the job site. Minimum comprehensive general liability and property damage insurance amounts of \$1,000,000.00 are required and must be provided. Workers compensation in amounts required by State Law shall also be provided. Both "Cornerstone Building Group" and "NAVFAC Southwest" must be named as "Additional Insured" and "Certificate Holder". Additional insured endorsement shall provide coverage for completed operations and shall be issued on Form CG 20 10 11 85 or its equivalent.

In the cancellation clause "...endeavor to..." and "...but failure to..." to the end of the sentence must be stricken. There shall be a provision for a minimum of 30 days written cancellation notice. The Project name and number must appear on the certificates.

Subcontractor's Initials SP

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9. Scheduling Requirements/Schedule of Values – Within 7 calendar days of receipt of Contractor's Preliminary Construction Schedule, Subcontractor shall submit a complete, itemized breakdown of work indicating activity sequence, cost of labor and material for each activity, crew size, and expected duration required to complete each work sequence. Contractor shall attempt to integrate this information into Contractor's 'baseline construction schedule. Upon Owner's approval, such schedule and monthly schedule updates will be used in billings for progress payments. Please note any requirements, which would affect out trade, (i.e. drying times, painting before trim, etc.) Failure of Subcontractor to comply with this requirement within the allotted time shall allow Contractor to develop the Schedule of Values on behalf of Subcontractor as if submitted by Subcontractor.

10. Subcontractor's Tier Subcontractors and Suppliers – Subcontractor shall provide Contractor with a complete list of tier subs/suppliers to be returned with signed Contract, and shall constantly update such list as scope of work indicates. Failure of Subcontractor to provide and update this list to Contractor will cause Subcontractor's progress payment to be deferred until properly provided to Contractor with no exceptions. Subcontractor shall provide unconditional lien releases from pertinent suppliers and tier sub labor with each and every progress billing. If Subcontractor does not have any tier subs or suppliers, Subcontractor shall advise Contractor in writing and such statement shall accompany each and every progress-billing request.

At Contractor's option, Contractor may make payment to Subcontractor for approved progress payments by joint checks payable to Subcontractor and Subcontractor's tier subs/suppliers for amounts owed. At Contractor's option, Contractor may pay directly to any of Subcontractor's unpaid tier subs/suppliers any amounts owed on behalf of Subcontractor and set off such amounts against Subcontractor's contract amount. Contractor shall provide notification of such to Subcontractor and shall assist in resolving outstanding disputes related to this project with tier subs/suppliers.

NOTE: All releases must be signed by an officer of the company and all releases must be complete including specific dollar amounts. Releases with no dollar amount indicated, or "sufficient funds" or other similar language will not be accepted.

11. Joint Apprentice Committee (JAC) State Code 1777.5, 1777.6, and 1777.7 – All Subcontractors performing on public works projects are required to comply with referenced sections of the State Labor Code each time they receive an award to perform on a public works project. Non-signatory subcontractors using employees in apprenticeship trades are required to apply to the appropriate JAC, requesting permission to employ and train apprentices. It is suggested that all applications be sent by certified mail as a means to show proof that an application was submitted. A copy of that application must be submitted to Contractor with the first monthly-certified payroll reports as proof of compliance. Subcontractors who are signatory to a labor agreement are required to submit in letter form with first monthly report, a statement identifying which laborer agreement(s) they are signatory to as related to this project.

12. As-Built Drawings, conforming to Contract Document requirements must be maintained by Subcontractor for all of Subcontractor's work, and kept current on a weekly basis. Subcontractor shall utilize and update as-built drawings and coordinate as-built requirements with the Project's QC Manager.

13. 10% Retention will be withheld by Contractor on all progress payments. A greater amount will be withheld if Subcontractor does not maintain and regularly update, where required by the Contract Documents, the following:

- A. Material submittals including, but not limited to, samples, certifications, shop drawings, certified test results, and/or any other required data for materials and/or equipment.
- B. O&M Manuals, operating instructions, warranty date, etc.
- C. Subcontractor daily reports.

Subcontractor's Initials JD

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- D. Certified payrolls.
- E. Names, addresses, and phone numbers of Subcontractor's Project Manager and Foreman.
- F. Insurance certificates - kept current.
- G. Hazard Communication Regulation Requirements.
- H. List of all tier subcontractors and Subcontractors with respective addresses and phone numbers.
- I. Schedule of Prices.
- J. Scheduling requirements.
- K. As-Built Drawings - kept current.
- L. Lien releases for tier-subcontractor's and Subcontractors with each and every progress payment request.
- M. Equal Opportunity and/or Affirmative Action Participation Compliance requirements and/or documentation.
- N. Subcontractor's Safety Plan.

14. Billing procedures must be in accordance with the format outlined below:

Contract Amount _____
 Approved Change Orders _____
 Revised Contract Amount _____

Current Billing Amount-Completed/Approve _____
 (Attach Schedule of Prices)

Amount of Change Order Work _____
 Total Amount This Billing _____
 Less Retention _____
 Sub-Total _____
 Less Previously Amount Billed _____
 Less Back Charges (if applicable) _____
 Current Amount Due _____

Billing date shall be the 25th of each month, projected through the end of the month. Payment to Subcontractor shall be made within seven calendar days after Contractor has received payment from Owner.

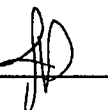
Subcontractor shall provide his Federal Tax Identification Number or Social Security Number and a copy of his State Business License as a requirement of this Contract. There will be no Contract payment issued until these requirements are fulfilled.

Progress payments by Contractor to Subcontractor for any stored materials, either on-site or in a "bonded" warehouse, and/or equipment prior to fixed installation at the Project are subject to the following conditions and stipulations which supersede any other provisions(s) to this Agreement:

A. Sole ownership and means of distribution of such material and/or equipment transfers exclusively to Cornerstone Building Group upon Subcontractor's receipt of payment. At time of Subcontractor's application for progress payment, Subcontractor shall provide Contractor with a detailed inventory of specific description and quantity for each and every item(s), and stating that Contractor owns such materials and/or equipment upon Subcontractor's receipt of said payment.

B. Subcontractor shall provide Installation Floater Insurance coverage for the replacement values of such materials and/or equipment that explicitly names "Cornerstone Building Group" as additional insured on the insurance certificate.

Subcontractor's Initials



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- C. Progress payment amount to Subcontractor shall not exceed the actual invoice amount for such materials and equipment that Subcontractor owes.
- D. Subcontractor shall comply with all requirements for payment of stored materials in accordance with Section 00721 and/or 01200.

15. If Subcontractor and Contractor have any other contractual agreements, any funds from this Agreement or from any other contractual agreement(s), may be applied to complete, satisfy, pay for, or implement any contractual agreements and obligations. Subcontractor and Contractor mutually agree to honor all agreements contained herein.

16. Contractor's Code of Safe Practices, in addition to applicable Federal, State, and Local Regulations, shall be considered minimum safety standards for this Project. A copy of Subcontractor's safety plan must be submitted to Contractor within 5 days of award of Subcontract. Safety standards will be enforced by way of Safety Violation and Correction Notice issued through a designated Cornerstone Building Group employee. A maximum of three documented violations per Subcontractor or per employee shall be considered reasonable cause to suspend Subcontractor or employee right to work on this project. Job Site safety meetings will be held weekly. Attendance is mandatory by all trades working on site. Proper work clothes must be worn by all employees. This means everyone must wear a hard hat, long pants, a shirt, and safety shoes.

17. Subcontractor is responsible for complying with California's Hazard Communication Regulations and must provide Contractor with MATERIAL SAFETY DATA SHEETS on all hazardous substances used by Subcontractor's operations, within 5 days of award of Subcontract. Subcontractor is responsible for complying with the Hazardous Material Federal Regulations 29CFR 1910.120.

18. Contractor will provide lighting as required to maintain safety standards. Electrical outlets will be provided by Contractor to within 100 feet of each building. Subcontractor will be responsible for additional task lighting and power as required to perform Subcontractor's own work.

19. Subcontractor shall not use Contractor's telephones at the job site.

20. Cost Proposals shall be returned to Contractor's job site office within five days (or soon if requested) of receipt of request. Subcontractor is advised to familiarize himself with all requirements regarding changes or claims as described in the Contract Documents.

21. No claim for additional work by Subcontractor shall be recognized by Contractor without written approval or direction by Contractor prior to commencement of such work. Subcontractor must submit a written claim to Contractor within five days after the event-giving rise to Subcontractor's claim.

22. This Project is certified as a "DRUG-FREE WORKPLACE". Neither Subcontractor nor his employees, while performing services at this Project shall be in any way impaired by the use of alcohol or drugs. Subcontractor/employees shall not possess an open container of alcohol, consume alcohol, or be under the influence of any illegal drug, shall not sell, offer, or provide alcohol or drugs to any other person. Any employee's failure to abide by this provision shall be considered reasonable cause to suspend employee's right to work on this Project.

23. Testing and Inspections – Normal testing/inspection of Subcontractor's work shall be provided by Owner as described in Section 01410. Any retesting/re-inspection of Subcontractor's work shall be at Subcontractor's expense. All testing of equipment/material as required in individual Specification Sections shall be by Subcontractor/Subcontractor's supplier.

Subcontractor's Initials

JP

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24. Accident Reports – Subcontractor shall provide Contractor with a copy of the accident report within 48 hours of accident for any accident.

25. Liquidated Damages – Time is of the essence for both the Contract with Owner and this Subcontract Agreement. Subcontractor is hereby informed that liquidated damages for this Project are \$200.00 per calendar day. Subcontractor shall be responsible for a proportional amount of any and all liquidated damages incurred by Contractor due to delays in work caused by Subcontractor. Subcontractor's attention is directed to the phasing requirements and associated liquidated damages as described in Section 5.8.2 of the General Conditions.

26. One copy of the contract drawings, contract specifications, and addenda will be provided to Subcontractor upon request. Should additional copies be required, Subcontractor shall coordinate with Contractor for the production of such copies. The expense for additional copies shall be the responsibility of Subcontractor.

27. Subcontractor's attention is called to the Equal Opportunity Clause, the Affirmative Action Compliance Clauses, the Small Business Program Representations Clauses, and the Affirmative Action for Special Disabled and Vietnam Era Veteran's Clauses incorporated into the Project's Contract Documents. Subcontractor shall comply with all such requirements and shall provide documentation of compliance including, but not limited to, certification, monitoring, and auditing of Subcontractor's participation.

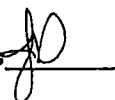
28. Cornerstone Building Group's refuse containers shall not be used by Subcontractor to dispose of materials from Subcontractor's activities. Subcontractor shall remove such refuse from job site in a timely manner, using only Subcontractor's own facilities for such refuse material. Subcontractor shall maintain premises in a broom clean, safe, and orderly condition on a daily basis or more frequently as required. If Subcontractor fails to perform clean up functions as required, Contractor may then proceed to perform this function in a manner deemed most expedient. In each such event, the cost of clean up or \$100.00, whichever is greater, shall be charged to Subcontractor and deducted from payments due under this Agreement. If a dispute arises between Subcontractors as to responsibility for clean up, Contractor shall allocate costs, as it deems fair. Contractor may invoke the foregoing procedure without notice to Subcontractor when deemed by Contractor to be necessary to maintain job site in a safe condition or to maintain progress of the work.

29. Contractors are required by Law to be licensed and regulated by the Contractors' State License Board, which has jurisdiction to investigate complaints against Contractors if a complaint is filed within three years of the date of the alleged violation. Any question concerning a Contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, CA 95826.

30. The Project Management Team and applicable location information is as follows:

Project Manager – Raphael Miller (858) 444-6880
Project Superintendent – Adrian Juarez (619) 261-8218
Office Phone – (619) 296 - 5784
Office Fax - (619) 296-6508

Subcontractor's Initials



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ALL MAIL, SUBMITTALS, ETC., ARE TO BE SENT TO OUR POST OFFICE BOX AS FOLLOWS:

Cornerstone Building Group - Job No. 622
3590 Kettner Boulevard
San Diego, CA 92101

DELIVERY/HOME OFFICE ADDRESS: Cornerstone Building Group - Job No. 622
3590 Kettner Blvd
San Diego, CA 92101

SUBCONTRACTOR:

BAKER ELECTRIC, INC


SIGNATURE/TITLE

Group Manager

DATE

November 26, 2007

95-1853701
FEDERAL TAX ID NO./SOC. SECURITY NO.

CONTRACTOR:

CORNERSTONE BUILDING GROUP


RICHARD OSGOOD, CEO

DATE

12/11/07

Subcontractor's Initials 

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Infantry Immersive Trainer
MCB Camp Pendleton
CORNERSTONE BUILDING GROUP PROJECT NO. 622

ATTACHMENT "B" TO SUBCONTRACT AGREEMENT NO. 622 -16100S

SUBCONTRACTOR: BAKER ELECTRIC, INC

The following terms and conditions are hereby made part of this Contract:

The subcontractor is responsible for providing the necessary labor, material, and equipment as specified in this attachment, as well as the RFP and contract documents attached to this subcontract.

ELECTRICAL

1. Subcontractor shall provide all labor, materials, and equipment as necessary or incidental for the installation of all electrical work as shown and/or described in the Contract Documents and as more particularly, though not exclusively, in the Task Order Proposed Work Plan, Infantry Immersive Trainer.
2. Provide and install Fluorescent light fixtures to be controlled by four level light controller switches. Light controller switches shall be centrally located in the area as indicated on the attached RFP. All fixtures shall include installation of conduits, runs, etc, as necessary for a complete and operational system. The lighting system shall meet all User requirements. All conduits shall be surface mounted and use existing conduit runs if possible.
3. Troubleshoot and reconnect existing ventilation fans if possible.
4. Provide and install new PA system to meet the User's requirements. Subcontractor may utilize existing conduits, wires, etc, if functional. However, all re-used wire must be in "good condition". The term "good condition" must be approved by the Government.
5. Provide and install illuminated "fire exit" signage to include conduit, wires, etc. for complete operational lights at all exits.
6. Provide and install 9 exterior flood lights as shown. Location to be determined by the Government.
7. Provide and install fire alarm, pull stations, strobes, and horns for local alarm system.
8. Provide and install 120V quad receptacles every 4 feet on north wall of area D. Provide and install 10 quad receptacles throughout area B as shown in the attached RFP. Provide and install 120V quad receptacles every 20 feet in Area G, as specified, or as determined by the Government.
9. Provide and install a new 400 amp panel to provide new electrical service and distribution for new and future electrical requirements in Area H.
10. Safe off any exposed wires, receptacles, and any other hazardous electrical on the interior of the building.
11. ~~Subcontractor shall provide temp power including distribution boxes to job site buildings and structures from a temp power source as provided by Contractor~~ *JD BA*
12. Subcontractor shall be responsible for all safe-off, disconnection and removal of electrical equipment and utilities for all structures and equipment.

Subcontractor's Initials *JD*

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BA

13. Subcontractor shall provide and install all straps, supports, hangers, Unistrut, restraints, or seismic bracing as necessary for Subcontractor's own installations. This includes light fixture hanger wires.
14. Subcontractor shall provide and install all brackets, bolts, cable trays, helix cables, fastenings, and/or pipe straps as required.
15. Subcontractor shall provide and install all anchoring/supporting devices as required in the Contract Documents.
16. ~~Subcontractor shall be responsible for cutting/patching of finished surfaces as necessary to complete Subcontractor's installations.~~ *JD* *SA* *JA*
17. Subcontractor shall provide and install all fire-stopping sealant where electrical installations penetrate walls, floors, and ceilings to retain the integrity of those structures. Subcontractor shall also provide all fire rated blankets and enclosures for their own work where required.
18. ~~Subcontractor shall provide all power wiring, conduits, and connections for all control systems in accordance with the Contract Documents, regardless of voltage.~~ *JD* *SA* *JA*
19. Subcontractor shall be responsible for coordination and final connections to primary and secondary power sources. Any electrical outages must be scheduled 10 days in advance and approved with the Contractor and Owner. In some cases, Subcontractor must provide a temporary power source such as a generator in order to allow continuous service to the Owner while the Subcontractor performs their scope of work. Should any delays or damages be incurred through lack of notice, coordination, negligence, or inadequate planning, etc. those delays and or damages shall be the sole responsibility of the Subcontractor.

20. EXCLUSIONS:
Bonds

SUBCONTRACTOR:

BAKER ELECTRIC, INC

JD English
SIGNATURE/TITLE

DATE

November 26, 2007

CONTRACTOR:

CORNERSTONE BUILDING GROUP

Richard Osgood
SIGNATURE/TITLE

DATE

12/11/07

Subcontractor's Initials *JD*

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Bond Number SDC00008
Premium Included

PAYMENT BOND (See instructions on reverse)		DATE BOND EXECUTED (Must be same or later than date of contract) August 24, 2007		OMB No.: 9000-0045
Public reporting burden for this collection of information is estimate to average 25 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the FAR Secretariat (MVR), Federal Acquisition Policy Division, GSA, Washington, DC 20405				
PRINCIPAL (Legal name and business address)		TYPE OF ORGANIZATION ("X" one)		
Cornerstone Building Group 3590 Ketter Blvd. San Diego, CA 92101		<input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE <input checked="" type="checkbox"/> CORPORATION		
		STATE OF INCORPORATION California		
SURETY(IES) (Name(s) and business address(es))		PENAL SUM OF BOND		
Western Insurance Company P.O. Box 21030 Reno, NV 89515		MILLION(S)	THOUSAND(S)	HUNDRED(S)
			345	860
				CENTS 00
		CONTRACT DATE		
		8/20/07		
		CONTRACT NO. N62473-07-D-6308-0009		

OBLIGATION: Install Metal Building for AVTB B-210536

We, the Principal and Surety(ies), are firmly bound to the United States of America (hereinafter called the Government) in the above penal sum. For payment of the penal sum, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally. However, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us. For all other purposes, each Surety binds itself, jointly and severally with the Principal, for the payment of the sum shown opposite the name of the Surety. If no limit of liability is indicated, the limit of liability is the full amount of the penal sum.

CONDITIONS:

The above obligation is void if the Principal promptly makes payment to all persons having a direct relationship with the Principal or a subcontractor of the Principal for furnishing labor, material or both in the prosecution of the work provided for in the contract identified above, and any authorized modifications of the contract that subsequently are made. Notice of those modifications to the Surety(ies) are waived.

WITNESS:

The Principal and Surety(ies) executed this payment bond and affixed their seals on the above date.

Cornerstone Building Group		PRINCIPAL	
SIGNATURE(S)	1. (Seal)	2. (Seal)	3. (Seal)
NAME(S) & TITLE(S) (Typed)	1.	2.	3.
Corporate Seal			
INDIVIDUAL SURETY(IES)			
SIGNATURE(S)	1. (Seal)	2. (Seal)	
NAME(S) (Typed)	1.	2.	
Western Insurance Company		CORPORATE SURETY(IES)	
NAME & ADDRESS	P.O. Box 21030 Reno, NV 89515	STATE OF INC.	LIABILITY LIMIT
		Nevada	\$ 1,302,000.00
SIGNATURE(S)	1.	2.	
NAME(S) & TITLE(S) (Typed)	1. Audrey Rodriguez, Attorney-In-Fact	2.	
Corporate Seal			

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Previous edition is usable

STANDARD FORM 25A (REV. 10-88)
Prescribed by GSA-FAR (48 CFR) 53.2228(c)

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CORPORATE SURETY(IES) (Continued)

SURETY B		NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT	Corporate Seal
SURETY B	SIGNATURE(S)	1.	2.	\$	
	NAME(S) & TITLE(S) (Typed)	1.	2.		
SURETY C		NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT	Corporate Seal
SURETY C	SIGNATURE(S)	1.	2.	\$	
	NAME(S) & TITLE(S) (Typed)	1.	2.		
SURETY D		NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT	Corporate Seal
SURETY D	SIGNATURE(S)	1.	2.	\$	
	NAME(S) & TITLE(S) (Typed)	1.	2.		
SURETY E		NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT	Corporate Seal
SURETY E	SIGNATURE(S)	1.	2.	\$	
	NAME(S) & TITLE(S) (Typed)	1.	2.		
SURETY F		NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT	Corporate Seal
SURETY F	SIGNATURE(S)	1.	2.	\$	
	NAME(S) & TITLE(S) (Typed)	1.	2.		
SURETY G		NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT	Corporate Seal
SURETY G	SIGNATURE(S)	1.	2.	\$	
	NAME(S) & TITLE(S) (Typed)	1.	2.		

INSTRUCTIONS

1. This form, for the protection of persons supplying labor and material, is used when a payment bond is required under the Act of August 24, 1935, 49 Stat. 793 (40 U.S.C. 270a-270e). Any deviation from this form will require the written approval of the Administrator of General Services.

2. Insert the full legal name and business address of the Principal in the space designated "Principal" on the face of the form. An authorized person shall sign the bond. Any person signing in a representative capacity (e.g., an attorney-in-fact) must furnish evidence of authority if that representative is not a member of the firm, partnership, or joint venture, or an officer of the corporation involved.

3. (a) Corporations executing the bond as sureties must appear on the Department of the Treasury's list of approved sureties and must act within the limitation listed therein. Where more than one corporate surety is involved, their names and addresses shall appear in the spaces (Surety A, Surety B, etc.) headed "CORPORATE SURETY(IES)." In the space

designated "SURETY(IES)" on the face of the form, insert only the letter identification of the sureties.

(b) Where individual sureties are involved, a completed Affidavit of Individual Surety (Standard Form 28) for each individual surety, shall accompany the bond. The Government may require the surety to furnish additional substantiating information concerning their financial capability.

4. Corporations executing the bond shall affix their corporate seals. Individuals shall execute the bond opposite the word "Corporate Seal", and shall affix an adhesive seal if executed in Maine, New Hampshire, or any other jurisdiction requiring adhesive seals.

5. Type the name and title of each person signing this bond in the space provided.

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Job 11120



RECEIVED

OCT 29 2007

CORNERSTONE B 6

SUBCONTRACT NO. 623-16100S

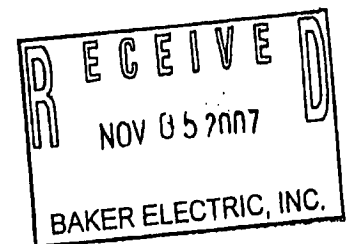
SUBCONTRACT

(Long Form Subcontract between General Contractor & Subcontractor)

This Subcontract is entered into on September 4, 2007 at San Diego California by and between Cornerstone Building Group ("Contractor"), with its principal office at 3590 Kettner Blvd San Diego California 92101 and Baker Electric ("Subcontractor") with its principal office at 1298 Pacific Oaks Place, Escondido, California, 92029.

Contractor has entered into a contract with the following Owner:

NAVFAC Southwest
Camp Pendleton ROICC/CODE ROPCN
Marine Corps Base Camp Pendleton
PO BOX 555229 Bldg 22101
Camp Pendleton, CA 92055-5229



To perform certain construction work identified as:

8A JOC, Pre-Engineered Metal Building at 210536
NAVFAC SOUTHWEST, CAMP PENDLETON ROICC
MCB, CAMP PENDLETON
N62473-07-D-6308-0009

This Subcontract has important legal and insurance consequences. Consultation with an attorney and insurance consultant is encouraged with respect to its completion or modification.

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SUBCONTRACT

TABLE OF ARTICLES

SUBCONTRACT PRICE
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CHANGES
DELAYS
CLAIMS
DISPUTES RESOLUTION
PAYMENT
RECOURSE BY CONTRACTOR
TERMINATION
SUSPENSION OF WORK
ASSIGNMENT OF SUBCONTRACT

The titles given to the Articles and paragraphs of this Subcontract are for ease of reference only and shall not be relied upon or cited for any other purpose.

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ARTICLE 1 SUBCONTRACT PRICE

1.1 As full compensation for satisfactory performance of the Subcontract, Contractor agrees to pay Subcontractor in the manner described below, subject to all provisions of the Subcontract:

- (a) the firm fixed-price of Nineteen Thousand Eight Hundred Forty Dollars (\$19,840.00) subject to additions and deductions as provided for in the Subcontract; and/or
- (b) unit prices in accordance with the attached Unit Prices and estimated quantities; and/or
- (c) time and material rates and prices in accordance with the attached Labor and Material Costs; and/or
- (d) other, as identified in an attachment.

The firm fixed-price, unit prices, time and material rates and prices and/or other identified manner of payment are referred to as the "Subcontract Price."

ARTICLE 2 SUBCONTRACT DOCUMENTS

2.1 The Subcontract Documents, in order of precedence, consist of the following:

2.1.1 The executed Subcontract between Contractor and Subcontractor, including Attachment Nos. A and B, which are incorporated at this point as if fully set forth.

2.1.2 The Contract, consisting of the entire and integrated Agreement between Owner and Contractor, as more particularly though not exclusively specified in the General, Special, Supplementary and other Conditions, Drawings, Specifications, Addenda, reference standards or provisions of any nature.

2.2 Subcontractor certifies and agrees that it is fully familiar with all of the terms, conditions and obligations of the Subcontract Documents, the location of the job site, and the conditions under which the work is to be performed, and that it enters into this Subcontract based upon its investigation of all such matters and is in no way relying upon any opinions or representations of Contractor. It is further agreed that the Contract is incorporated into this Subcontract with the same force and effect as if it was set forth in full, and that Subcontractor and its subcontractors are bound by all terms of the Contract as they relate in any way, directly or indirectly, to the work covered by this Subcontract. Subcontractor agrees to be bound to Contractor in the same manner and to the same extent as Contractor is bound to Owner under the Contract. The Contract is defined above and includes but is not limited to the following documents:

- Attached Task Order Proposed Work Plan

2.3 Upon written request by Subcontractor, Contractor shall provide to Subcontractor at Subcontractor's expense, one copy of all portions of the Contract in the Contractor's possession. However, neither this article nor any other shall obligate Contractor to obtain for Subcontractor copies of any portion of the Contract not in the possession of Contractor, and Subcontractor shall not be excused from performance of its work because it does not have such documents. Upon written request by its subcontractors and suppliers, Subcontractor similarly shall make one copy of applicable portions of the Subcontract Documents available

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to its subcontractors and suppliers. Nothing shall prohibit Subcontractor from obtaining a copy of the executed Contract from Contractor at any time after the Subcontract is executed.

2.4 Nothing in the Subcontract shall be construed to create a contractual relationship between persons or entities other than Contractor and Subcontractor.

ARTICLE 3 SCOPE OF SUBCONTRACT WORK

3.1 Independent Contractor – Subcontractor shall provide all labor, materials, equipment and services necessary or incidental to perform its work as an “independent contractor,” in accordance with the Subcontract Documents.

3.2 Subcontract Work – Subcontractor shall perform the following scope of work:

(See Attachment B)

3.3 Temporary Services – Contractor will provide to Subcontractor the following temporary services at the project site during the performance of this Subcontract at no charge to Subcontractor:

NONE

Subcontractor will provide, at its own expense, all other necessary temporary services for the completion of its work.

ARTICLE 4 SURETY BONDING

4.1 Copy of Contractor Bonds – Subcontractor is entitled to receive from Contractor, upon written request, copies of any payment and performance bonds furnished by Contractor for the project.

4.2 Subcontractor Bonds – Subcontractor surety bond requirements, if any, are as follows:

Subcontractor Performance and Payment Bond

☐

Required

☒

Not Required

4.2.1 If a performance or payment bond, or both, are required of Subcontractor, such bonds shall name Contractor as obligee, be in the full amount of the Subcontract Price, and shall be in a form and by a surety acceptable to Contractor. The premiums for such bonds are not included in the Subcontract Price, the cost shall be added as a change order to the contract documents upon final determination.

4.2.2 In the event Subcontractor shall fail to provide any required bonds within 10 days of Contractor's written notification to do so, Contractor may terminate this Subcontract for cause. All costs and expenses incurred by Contractor as a result of such a termination shall be paid by Subcontractor in accordance with the termination for cause article of the Subcontract.

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4.2.3 No change, directive, clarification or communication regarding this Subcontract, whether made in the manner specified in the Subcontract or not, shall release or exonerate, in whole or in part, any surety on any bond given in connection with this Subcontract and neither Owner nor Contractor shall be under any obligation to notify the surety or sureties of any change, directive, clarification or communication with Subcontractor.

ARTICLE 5 PERFORMANCE OF WORK

5.1 Schedule of Work – Subcontractor may provide Contractor with scheduling information it proposes for its work. If the information is provided 5 days before Contractor is required to submit the schedule to Owner or to proceed with the work, Contractor will consult with Subcontractor regarding such information and, if possible, incorporate the same into the schedule to Owner.

5.1.1 Contractor shall prepare the schedule for performance of the Contract and Subcontract ("progress schedule") and may revise and update the progress schedule as the work progresses. It shall be Subcontractor's obligation to conform to the progress schedule, as updated by Contractor. Subcontractor understands that all field work must be completed within 6 weeks. All work must be completed no later than December 31, 2007. Subcontractor will provide adequate manpower, materials & equipment to meet this schedule. Subcontractor shall prepare and obtain approval as required by the Contract for all shop drawings, details, samples; shall perform any required Subcontractor testing; and do all other things necessary and incidental to the prosecution of the Subcontract in order to comply with the progress schedule. Subcontractor shall coordinate the work covered by this Subcontract with Contractor and all other subcontractors with whom Subcontractor must interface for the proper and timely completion of Subcontractor's work. Contractor shall have the right to decide the time and order in which the various portions of the work shall be installed, the priority of the work of other subcontractors, and, in general, all matters representing the timely and orderly performance of the work of Subcontractor on the project.

5.1.2 Contractor shall have the right to determine and, if necessary, change the time, order and priority in which the various portions of the work shall be performed and all other matters relative to the timely and orderly performance of Subcontractor's work. Subcontractor shall be reasonably notified of all subsequent changes and additional details to the progress schedule. Both Contractor and Subcontractor shall be bound by the updated progress schedule.

5.2 Subcontract Performance – Subcontractor shall use its best care, skill and diligence in supervising, directing and performing its work. Subcontractor shall have responsibility and control over the performance of its work, including the construction methods, techniques, means and sequences for coordinating and completing the various portions of its work.

5.3 Use of Contractor's Equipment – Subcontractor, its agents, employees, subcontractors or suppliers shall use Contractor's equipment only with the express written permission of Contractor's designated representative and in accordance with Contractor's terms and conditions for such use.

5.4 Time is of The Essence – Time is of the essence for both parties, and they mutually agree to ensure the performance of their respective work and the work of their subcontractors and suppliers so that the entire project may be completed in accordance with the Contract and the updated progress schedule.

ARTICLE 6

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SUBCONTRACT INTERPRETATION

6.1 Inconsistencies and Omissions – Should inconsistencies or omissions appear in the Contract, it shall be the duty of Subcontractor to so notify Contractor in writing within three (3) working days of Subcontractor's discovery. Upon receipt of such notice, Contractor shall inform Subcontractor as to the measures to be taken and Subcontractor shall comply with Contractor's instructions. If Subcontractor performs work knowing it to be contrary to any applicable laws, statutes, ordinances, building codes, rules or regulations without notice to Contractor and advance approval by appropriate authorities, including Contractor, then Subcontractor shall assume full responsibility for such work and shall bear all associated costs, charges, fees and expenses necessarily incurred to remedy the violation(s).

6.2 Disputes Over Responsibility For Performance – Subcontractor agrees that in the event a dispute should occur between Subcontractor and another subcontractor or Contractor as to who has the responsibility to perform a particular item of work or repair damage to any particular item of work, the determination of who shall perform the work shall be made by Contractor.

6.3 Law and Effect – The Subcontract shall be governed by the law of the State in which the project is located.

6.4 Severability and Waiver – The partial or complete invalidity of any one or more provisions of this Subcontract shall not affect the validity or continuing force and effect of any other provision. The failure of either party to insist, in any one or more instances, upon the performance of any of the terms, covenants or conditions of the Subcontract, or to exercise any right provided to it, shall not be construed as a waiver or relinquishment of such term, covenant, condition or right with respect to further performance.

6.5 Recoverable Fees and Costs – Should either party institute suit or demand arbitration to enforce any of the provisions of the Subcontract, to protect its interests in any manner arising under the Subcontract, or to recover on a surety bond furnished by a party to the Subcontract, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs, charges, and expenses (including expert fees and testing) expended or incurred.

6.6 Titles – The titles given to the Articles and paragraphs of the Subcontract, and the order of their placement, are for ease of reference only and shall not be relied upon or cited for any other purpose.

6.7 Entire Agreement – The Subcontract is solely for the benefit of the signatories and represents the entire and integrated agreement between the parties and, unless specifically stated otherwise, supersedes all prior negotiations, representations or agreements, either written or oral.

6.8 Waiver of Any Breach – Waiver of any breach, alleged breach, provision, covenant or condition of the Subcontract by Contractor shall not be construed as a waiver of the same or any other provision of the Subcontract on any other occasion, nor shall such waiver serve as an estoppel of any other right Contractor may have. Should any provision in the Subcontract, or its attachments, be held or declared void or invalid, all other provisions shall remain in full force and effect.

ARTICLE 7 CONTRACTOR'S OBLIGATIONS

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7.1 Authorized Representative – Contractor shall designate one or more persons who shall be Contractor's authorized representative(s) on-site and off-site. Such authorized representative(s) shall be the only person(s) Subcontractor shall look to for instructions, orders and/or directions, except in an emergency.

7.2 Lay Down Areas – If available, Contractor shall allocate to Subcontractor area(s) for Subcontractor's material and equipment during performance of the Subcontract.

7.3 Timely Communications – Contractor shall, with reasonable promptness, transmit to the appropriate parties all submittals, transmittals and written approvals relating to Subcontractor's work. Communications by and with Subcontractor's subcontractors and suppliers shall be through Subcontractor.

7.4 Backcharges For Services Rendered or Materials Furnished – Contractor agrees that backcharges for services rendered or materials furnished to Subcontractor shall not be valid unless Contractor gives Subcontractor written notice prior to the furnishing of the services and/or materials, except in an emergency affecting the safety of persons or property.

7.4.1 If requested in writing by Subcontractor, Contractor shall provide written compilations of the charges relating to such services or materials by the last day of the month following that in which the services are rendered or materials are furnished.

7.5 Layout Responsibility and Levels – Contractor shall establish principal axis lines and elevations of the structures and site. Subcontractor shall layout and be strictly responsible for the accuracy of Subcontractor's work and for any loss or damage to Contractor or others by reason of Subcontractor's failure to set out or perform its work correctly. Subcontractor shall exercise prudence so that the actual final conditions and details of its work shall result in alignment of finish surfaces.

7.6 Owner Ability to Pay – Subcontractor shall have the right to review with Contractor all information that Contractor has obtained relative to Owner's financial ability to pay for the Contract work.

ARTICLE 8 SUBCONTRACTOR'S OBLIGATIONS

8.1 Responsibilities – Subcontractor shall furnish all labor, materials, equipment and services necessary or incidental to perform its work in accordance with the Subcontract Documents. If requested by Contractor, Subcontractor shall provide to Contractor a list of its proposed subcontractors and suppliers.

8.2 Compliance with Laws, Rules, Ordinances and Regulations – Subcontractor shall, at its sole cost and expense, and without increase in the Subcontract Price, comply with all laws, rules, ordinances and regulations of all governing bodies having jurisdiction over the work, pay all manufacturers' taxes, sales taxes, use taxes, and all federal and state taxes, insurance and contribution for Social Security and unemployment which are measured by wages, salaries or other remunerations paid to Subcontractor's employees, whether levied under existing or subsequently enacted laws, rules or regulations.

8.2.1 Subcontractor shall give adequate notices to all required parties pertaining to Subcontractor's work and secure and pay for all permits, fees, licenses, assessments, and inspections necessary to complete its work in accordance with the Subcontract Documents.

8.2.2 Subcontractor shall be compensated for additional costs resulting from laws, ordinances, rules, regulations and taxes enacted after the date of the Contract only to the extent such additional costs are paid to Contractor by Owner.

8.3 Site Visitation – Subcontractor acknowledges that it has visited the project site and visually inspected the general and local conditions which could affect its work. Any failure of Subcontractor to reasonably ascertain, from a visual inspection of the site, the general and local conditions which could affect its work will not relieve Subcontractor from its responsibility to properly complete its work without change in the Subcontract Price.

8.4 Shop Drawings, Samples, Product Data and Manufacturers' Literature – Subcontractor shall promptly submit to Contractor for approval all shop drawings, samples, product data, manufacturers' literature and similar submittals required by the Contract. Subcontractor shall be responsible to Contractor for the accuracy and conformity of its submittals to the Contract requirements. Subcontractor shall prepare and deliver its submittals to Contractor in a manner consistent with the progress schedule and in such time and sequence so as not to delay Contractor or others in the performance of the Contract work. The approval of any Subcontractor submittal shall not be deemed to authorize deviations, substitutions or changes in the requirements of the Subcontract Documents unless express written approval is obtained from Contractor and Owner authorizing such deviation, substitution or change. In the event the Contract does not contain submittal requirements pertaining to Subcontractor's work, Subcontractor agrees upon request to submit to Contractor in a timely fashion for approval any shop drawings, samples, product data, manufacturers' literature or similar submittals as may reasonably be required.

8.4.1 Contractor, Owner and Architect are entitled to rely on the accuracy and completeness of any professional certifications required by the Subcontract Documents concerning the performance criteria of systems, equipment or materials, including all calculations and any governing performance requirements.

8.5 Coordination and Cooperation – Subcontractor shall:

- (a) cooperate with Contractor and all others whose work may interface with Subcontractor's work;
- (b) specifically note and immediately notify Contractor of any interference with Subcontractor's work; and
- (c) participate in the preparation of coordination drawings and work schedules involving Subcontractor's work.

8.6 Authorized Representative – Subcontractor shall designate in writing one or more competent contractor-approved persons who shall be the authorized Subcontractor representative(s) on-site and off-site. Such authorized representative(s) shall be the only person(s) to whom Contractor shall issue instructions, orders or directions, except in an emergency.

8.7 Communications – Subcontractor communications by and with Owner, Architect, separate contractors and/or other subcontractors and suppliers of Contractor, regardless of tier, shall be through Contractor.

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8.8 Tests, Inspections and Approvals – Subcontractor shall coordinate and notify Contractor of all required tests, inspections and approvals of Subcontractor's work so as not to delay the performance of the work. Subcontractor shall schedule and provide proper written notice to all required parties of such tests, inspections and approvals.

8.9 Workmanship – Every part of Subcontractor's work shall be executed in accordance with the Subcontract Documents in a workmanlike manner. All materials needed by Subcontractor shall be furnished in sufficient quantities to facilitate the proper and expeditious execution of the work, and shall be new except such materials as may be expressly provided in the Subcontract Documents to be otherwise.

8.10 Materials or Equipment Furnished by Others – In the event the scope of Subcontractor's work includes installation of materials or equipment furnished by others, it shall be the responsibility of Subcontractor to inventory, examine, store and install the items, with such skill and care as to ensure a satisfactory and proper installation. Subcontractor shall promptly notify Contractor in writing of any defective materials or equipment.

8.11 Substitutions – No substitutions shall be made by Subcontractor unless permitted in the Subcontract Documents and only then upon Subcontractor first receiving all approvals required under the Subcontract Documents for substitutions. If Subcontractor initiates a substitution, deviation or change in the work which affects the scope of the work or the expense of other trades, Subcontractor shall be liable for all resulting expenses.

8.12 Warranty – Subcontractor warrants all materials and workmanship and agrees to replace at its sole cost and expense, and to the satisfaction of Contractor, any materials that are defective or improperly installed, and indemnifies Contractor from and against any liability, loss or damage arising from or relating to such materials and installation through the period of Subcontractor's performance and for a period of one year from completion of the Contract. If the period of warranty is specified in excess of one year by the Contract, Subcontractor shall be bound for the longer period specified.

8.13 Uncovering of Work – If required in writing by Contractor, Subcontractor must uncover any portion of its work which has been covered. All costs associated with the uncovering and related work shall be borne as follows:

- (a) If the work was covered in violation of the Subcontract Documents or contrary to a written directive issued to Subcontractor by Contractor, the uncovering, any corrective work and restoration shall be at Subcontractor's expense.
- (b) If the work was not covered in violation of the Subcontract Documents or contrary to a written directive issued to Subcontractor by Contractor, the Subcontract shall be adjusted by change order for all costs of uncovering and restoring any work which proves to be installed in accordance with the Subcontract Documents.
- (c) If any uncovered work does not comply with the Subcontract Documents and Subcontractor is responsible for the nonconforming condition, Subcontractor shall be responsible for all costs of uncovering, correcting and restoring the work so as to make it conform to the Subcontract Documents.

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8.14 Correction of Work – Subcontractor is required to correct in a timely fashion any of its work rejected by Contractor or Owner for failing to comply with the Subcontract Documents whether observed prior to the commencement of the warranty period(s) or during the warranty period(s). Subcontractor shall correct at its own cost and bear the expense of additional services for any nonconforming work for which it is responsible, and shall remain responsible even after the warranty period for fraud, misrepresentation or latent defects.

8.15 Cleanup – Subcontractor shall follow Contractor's cleanup directions, and:

- (a) at all times keep the building and premises free from debris resulting from Subcontractor's work;
- (b) broom or rake clean each work area prior to discontinuing work in each area; and
- (c) Subcontractor's work shall not be considered complete until Subcontractor removes from the site all temporary structures, debris and waste incident to its operation and cleans all surfaces, fixtures, equipment, etc., relative to the performance of its work.

If Subcontractor fails to immediately commence compliance with the above cleanup duties after written notification from Contractor of noncompliance, Contractor may implement appropriate cleanup measures without further notice and deduct the resulting costs from any amounts due or to become due Subcontractor under the Subcontract.

8.16 Safety – Subcontractor is responsible for prevention of accidents arising from or relating to its work. Subcontractor shall comply fully with all federal, state and local laws, orders, citations, rules, regulations, standards and statutes affecting or relating to the Subcontract or its performance. Subcontractor shall comply with the accident prevention and safety program of Owner and Contractor. Establishment of a safety program by Contractor shall not relieve Subcontractor of its safety responsibilities. Subcontractor shall establish its own safety program implementing safety measures, policies and standards conforming to those required by governmental authorities having jurisdiction and by Contractor and Owner. Subcontractor shall notify Contractor immediately following an accident and promptly confirm the notice in writing. A detailed written report shall be furnished to Contractor. Subcontractor shall indemnify and hold Contractor harmless from all fines, penalties or costs of abatement imposed on Contractor as a result of safety violations caused by Subcontractor's failure to comply with applicable safety requirements. Subcontractor shall notify Contractor of any unsafe condition it discovers or observes and shall stop work until informed by Contractor that it may resume work.

8.16.1 Should Subcontractor encounter any hazardous substances at the site which are potentially harmful to persons or property, Subcontractor shall take all steps required by the Subcontract Documents and by law to protect persons and property from injury or damage, including stopping Subcontractor's work in the affected area(s) and promptly notifying Contractor in writing of the conditions encountered at the site. Should Subcontractor be required to stop work in any area of the project as a result of hazardous substances located at the site, Subcontractor shall not resume work in the affected area(s) until the hazardous substances have been removed or made harmless, all necessary approvals to resume work are obtained and Contractor gives Subcontractor written direction to resume work.

8.16.2 All safety sheets, plans, submittals or other such documents required by law or the Subcontract Documents pertaining to materials or substances used or consumed in the performance of Subcontractor's

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work shall be submitted to Contractor by Subcontractor. Any such safety sheets, plans or submittals obtained by Contractor from other subcontractors or sources shall be made available to Subcontractor by Contractor.

8.17 Delegation or Subcontracting of Duties – Subcontractor is prohibited from delegating, transferring, conveying, subcontracting, relinquishing or otherwise disposing of the whole or any part of its duties under this Subcontract without the prior written approval of Contractor, which shall not be unreasonably withheld. Lower-tier subcontractors approved by Contractor on or before the effective date of the Subcontract may be listed below:

Subcontractor shall incorporate all terms of this Subcontract in any subcontracts or purchase orders with its subcontractors and suppliers.

8.18 Duty to Proceed – In the event of any dispute or controversy with Contractor, another subcontractor or other third party involved with the project, Subcontractor shall not cause or permit any delay or cessation of its work or cause delay or disruption to the work of any other subcontractor or Contractor on the project, but shall proceed with performance of its work pending resolution of such dispute or controversy. Contractor shall continue to make payments in accordance with the Subcontract.

8.19 Force Account Work – When directed in writing by Contractor, Subcontractor shall perform such additional work as directed by Contractor and Contractor shall pay to Subcontractor the actual costs of such directed work plus Subcontractor's overhead and profit at a combined rate of 15% of such actual costs. This provision shall not apply to Owner directed force account work or disputed work.

8.20 Workers – Contractor may order the removal from the job of any workers Contractor reasonable finds disruptive, incompetent, in violation of safety requirements/programs or otherwise detrimental to the successful completion of the project.

8.21 Contractor Expending Money – Whenever any money is expended or costs or expenses are incurred by Contractor on behalf of or on account of Subcontractor, which amounts Subcontractor should have paid, and for which amounts Subcontractor is required to reimburse Contractor, or if Contractor continues or completes the work after default by Subcontractor, Subcontractor shall pay to Contractor interest at the rate of 10% per annum from the time said money is expended or said costs or expenses are incurred until those amounts are repaid to Contractor by Subcontractor. Nothing contained in this provision or Subcontract shall be construed as requiring Contractor to make any such expenditures, advance any such money, or incur any such expenses. In the event that the balance of the monies due pursuant to this Subcontract are insufficient to cover Contractor's damages or exposure, then Contractor shall have the right to offset against monies owed Subcontractor on other projects, if any.

8.22 Protection of the Work – Subcontractor shall secure and protect the work done pursuant to this Subcontract until final acceptance by Contractor and Owner.

ARTICLE 9 LABOR RELATIONS

9.1 General Provisions – Employment of labor by Subcontractor shall be effected under conditions which are satisfactory to Contractor. Subcontractor shall keep a representative at the job site during all times when

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Subcontractor's work is in progress, and such representative shall be authorized to represent Subcontractor as to all phases of the work. Prior to commencement of the work, Subcontractor shall notify Contractor in writing who Subcontractor's representative is to be, and in the event of any change of representative Subcontractor shall notify Contractor who the new representative is to be prior to such change becoming effective.

9.1.1 Subcontractor acknowledges that Contractor has entered into labor agreements covering work at its construction job sites with the following labor unions: N/A. If requested by Subcontractor, Contractor shall provide copies of all such labor agreements to Subcontractor. Subcontractor agrees to comply with all of the terms and conditions of those labor agreements set forth above. Subcontractor agrees, at its own expense, upon request of Contractor, to take all lawful steps to secure a binding and final determination of any jurisdictional dispute by the National Labor Relations Board.

9.1.2 Subcontractor will require all of its subcontractors and their subcontractors performing job site work to comply with the labor agreements specified above, and labor agreements which are binding upon them.

9.1.3 Subcontractor will indemnify and hold Contractor harmless from and against any liability, loss, damage, cost, claims, awards, judgments, fines, expenses, including litigation expenses, reasonable attorneys' fees and any other costs which may be incurred by Contractor resulting from Subcontractor's failure to comply with the above requirements.

9.2 Reserved Gate Usage – Subcontractor shall notify in writing and assign its employees, materialmen and suppliers to such gates or entrances as may be established for their use by Contractor and in accordance with such conditions and at such times as may be imposed by Contractor. Strict compliance with Contractor's gate usage procedures shall be required by Subcontractor who shall be responsible for such gate usage by its employees, materialmen, suppliers, subcontractors, and their materialmen and suppliers.

9.3 Staggered Days and Hours of Work and for Deliveries – Subcontractor shall schedule the work and the presence of its employees at the job site and any deliveries of supplies or materials by its materialmen and suppliers to the job site on such days, and such times and during such hours, as may be directed by Contractor. Subcontractor shall assume responsibility for such schedule compliance not only for its employees but for all its materialmen, suppliers and subcontractors, and their materialmen and suppliers.

9.4 Work Stoppages – Work stoppages (including sympathy strikes) or any other stoppage of work by employees performing work on, or delivering supplies or materials to, the job site shall not excuse any delay of Subcontractor in the proper performance of its work, regardless of whether the strike or other stoppage of work is attributed to union action or the action of an individual employee.

9.5 Default – Should Subcontractor default in the proper performance of its work, for reasons specified in this provision, Contractor may, as its option, terminate the Subcontract for cause in accordance with the termination for cause provision.

ARTICLE 10 INSURANCE

10.1 Subcontractor's Insurance – Prior to start of its work, Subcontractor shall procure for its work and maintain in force Workers' Compensation Insurance, Employer's Liability Insurance, Comprehensive

Automobile Liability Insurance, Comprehensive or Commercial General Liability Insurance on an occurrence basis, and any other insurance required of Subcontractor by the Subcontract Documents. Contractor shall be named as additional insured on each of these policies except for Workers' Compensation. Subcontractor shall also name as additional insured all other parties identified in the Contract to be so named. Subcontractor's insurance shall include contractual liability insurance covering Subcontractor's obligations under the Subcontract, including all indemnification provisions included in the Subcontract. Subcontractor shall provide completed operations coverage and maintain the same in full force for the duration of Subcontractor's work.

10.2 Minimum Limits of Liability – Subcontractor's Comprehensive or Commercial General Liability Insurance and Comprehensive Automobile Liability Insurance shall be written with limits of liability which meet the requirements set forth in the Contract, but at a minimum are not less than the following:

A. Comprehensive General Liability Insurance including completed operations:

- | | | |
|----|---|--|
| 1. | Combined Single Limit
Bodily Injury and
Property Damage | \$1 million for each occurrence
\$1 million aggregate |
| | or | |
| 2. | Bodily Injury | \$1 million for each occurrence
\$1 million aggregate |
| 3. | Property Damage | \$1 million for each occurrence
\$1 million aggregate |

B. Commercial General Liability Insurance:

- | | | |
|----|---|---------------------------------|
| 1. | Each Occurrence
Limit | \$1 million |
| 2. | General Aggregate | \$2 million |
| 3. | Products/Completed
Operations Aggregate | \$2 million |
| 4. | Personal and
Advertising Injury
Limit | \$1 million for each occurrence |

C. Comprehensive Automobile Liability Insurance:

1. Combined Single Limit
Bodily Injury and
Property Damage \$1 million for each occurrence
- or

- | | | |
|----|-----------------|--|
| 2. | Bodily Injury | \$1 million for each person
\$1 million for each occurrence |
| 3. | Property Damage | \$500,000.00 aggregate |

10.3 Cancellation, Renewal or Modification – Subcontractor shall maintain in effect all insurance coverage required under the Subcontract at Subcontractor's sole expense and with insurance companies rated as required by Owner but no less than a Best rating of A- or better. All insurance policies shall contain a provision that the coverages afforded shall not be canceled or not renewed, nor restrictive modifications added, until at least thirty (30) calendar days' prior written notice has been given to Contractor. Certificates of Insurance and additional insured endorsements shall be filed with Contractor prior to the commencement of Subcontractor's work. In the event Subcontractor fails to obtain or maintain any insurance coverage required under the Subcontract, Contractor may purchase such coverage and charge its expense to Subcontractor, or terminate the Subcontract for cause in accordance with the termination for cause provision of the Subcontract.

10.4 Builders Risk Insurance – Builder's Risk Insurance

- ☐ Is provided by Contractor
☐ Is provided by Owner
☒ Is not provided by Contractor or Owner

If Builder's Risk Insurance is provided by Contractor or Owner, upon written request by Subcontractor, Contractor shall provide Subcontractor with a copy of the Builder's Risk policy of insurance.

10.4.1 If Builder's Risk Insurance is provided by Owner or Contractor, then Contractor and Subcontractor waive all rights against each other and Owner, Architect, Architect's consultants and agents or employees of any of them, separate contractors, and all other subcontractors for loss or damage to the extent covered by Builder's Risk, except such rights as they may have to the proceeds of such insurance. However, this waiver shall not extend to the acts or omissions of Architect, Architect's consultants, and the agents or employees of any of them.

10.5 Endorsement – If the policies of insurance referred to in this Article require an endorsement to provide for continued coverage where there is a waiver of subrogation, the owners of such policies will cause them to be so endorsed.

ARTICLE 11 INDEMNIFICATION

11.1 General Indemnity – All work covered by the Subcontract done at the site of construction or in preparing or delivering materials or equipment, or any or all of them, to or from the site shall be at the risk of Subcontractor exclusively. To the fullest extent permitted by law, Subcontractor shall, with respect to all work which is covered by or incidental to the Subcontract, indemnify, hold harmless and defend Contractor from and against any and all allegations, losses, claims, actions, demands, damages, liabilities, or expenses (including costs, expenses and attorneys' fees), arising from or relating to the death or bodily injury to persons, injury to property, design defects (if design originated by Subcontractor), or other loss, damage or expense. Subcontractor's duty to indemnify shall include all damages caused or alleged to be caused in whole or in part by any negligent act or omission, whether active or passive, of: (a) Subcontractor; (b)

anyone directly or indirectly employed by Subcontractor; (c) anyone for whose acts Subcontractor may be liable; or (d) Contractor. Subcontractor shall not be obligated to indemnify Contractor with respect to the sole negligence or willful misconduct of Contractor, its agents, servants or subcontractors who are directly responsible to Contractor, excluding Subcontractor.

11.1.1 However, if Owner does not require Contractor to provide a Type I indemnity to Owner (i.e., only Owner's sole negligence and willful misconduct are excluded from the indemnity), paragraph 11.1 shall not apply and Subcontractor's indemnity to Contractor shall be the same indemnity Contractor is required to provide to Owner. In such event, Subcontractor agrees to Owner's indemnity provision with the substitutions of "Contractor" for "Owner" and "Subcontractor" for "Contractor."

11.2 Indemnification for Noncompliance With Laws – Subcontractor shall fully indemnify and hold Contractor harmless from all loss, costs and expenses attributable to any acts or omissions by Subcontractor which constitute a failure to comply with any laws, rules, ordinances and / or regulations of any governmental entity or agency.

11.3 Patents – Subcontractor shall pay all royalties and license fees which may be due on the inclusion of any patented materials in Subcontractor's work. Subcontractor shall defend all suits for claims for infringement of any patent rights arising out of Subcontractor's work, which may be brought against Contractor or Owner, and shall be liable to Contractor and Owner for all loss, including all costs, expenses and attorneys' fees in any such suit.

ARTICLE 12 CHANGES

12.1 Performance – Subcontractor shall proceed with all written directions issued by Contractor so as not to delay the work. Subcontractor shall adhere strictly to the Subcontract Documents unless directed otherwise in writing. Subcontractor shall not make any changes to the work set forth in the Subcontract Documents, either as additions or deletions, without the written direction of Contractor.

12.2 Incorporating Changes – All provisions of this Subcontract shall apply to any changes or extras in a like manner and to the same extent as though said changes or extras were incorporated in the Subcontract.

12.3 Notification of Additional Costs or Time – Subcontractor shall immediately provide written notification to Contractor if a written direction could result in additional costs or time of performance so that Contractor has sufficient time to take actions to minimize any additional costs or time, and has sufficient time to provide notification to Owner in accordance with the Contract.

12.4 Submission of Cost Proposals and Requests For Time Extensions – Subcontractor shall submit its cost proposal(s) in sufficient time for Contractor to comply with any submission requirements of Owner. All such cost proposals shall itemize, in a form acceptable to Contractor, any change in costs or time for performance which result from any written direction issued by Contractor.

12.5 Cost Proposal Negotiations – At Subcontractor's request, it shall be invited to attend and participate in all negotiations with Owner or others that relate to settlement or resolution of its cost proposals. At Contractor's request, Subcontractor shall attend and participate in negotiations with Owner or others that relate to settlement or resolution of Subcontractor's cost proposals.

ARTICLE 13 DELAYS

13.1 Excusable Delays – An excusable delay is one which is caused by circumstances or events beyond the control and without the fault or negligence of Contractor or Subcontractor, and which is recognized by the Contract as “excusable,” that is, a delay for which the contract time is extended but for which no compensation is allowed. To the extent excusable delays occur and affect Contractor’s and/or Subcontractor’s ability to complete their work in accordance with the updated progress schedule, the affected party’s time for performance shall be extended, but only to the extent such extensions are allowed by Owner.

13.2 Subcontractor Caused Delays – Subcontractor caused delays are delays caused by the failure of Subcontractor, or any party for which Subcontractor is responsible, to perform any portion of its work in accordance with the updated progress schedule. If Subcontractor delays cause delay and/or disruption to the Contract work, Subcontractor shall be liable for all costs and damages sustained by Contractor or for which Contractor may be liable to Owner or any other party, including consequential damages and liquidated damages. If Subcontractor delays are only one of multiple causes for delay to the Contract work, Subcontractor shall only be liable for its proportionate share of any resulting damages.

13.3 Contractor Caused Delays – Contractor caused delays are delays caused by the failure of Contractor, or any party for which Contractor is responsible, to perform any portion of its work in accordance with the updated progress schedule. If Contractor delays cause delay and/or disruption to Subcontractor’s work, Contractor shall be liable for all costs and damages sustained by Subcontractor, or for which Subcontractor may be liable to any other party, including consequential damages. If Contractor delays are only one of multiple causes for delay to Subcontractor’s work, Contractor shall only be liable for its proportionate share of any resulting damages.

13.4 Concurrent Delays – Concurrent delays are delays which can be attributed to either: (a) excusable delays and Subcontractor caused delays occurring concurrently; or (b) excusable delays and Contractor caused delays occurring concurrently. To the extent any portion of a delay is concurrent delay, and affects Contractor’s and/or Subcontractor’s ability to complete its work in accordance with the updated progress schedule, the period of performance shall be extended but neither Contractor nor Subcontractor shall be entitled to recover any costs or damages.

13.5 Disputed Delays – If Subcontractor disputes the determination of the cause of any delay and wishes to pursue that dispute, it must comply with the Claims article of the Subcontract.

ARTICLE 14 CLAIMS

14.1 Claim – A claim is a written demand by Subcontractor seeking an adjustment in the Subcontract Price and/or time, or the recovery of withheld disputed funds.

14.2 Notification of Claims – Subcontractor shall immediately provide written notification to Contractor of any claims so that Contractor has sufficient time to take actions to minimize any additional costs or time, and has sufficient time to provide notification to Owner in accordance with the Contract.

14.3 Submission of Claims – Subcontractor shall submit its claims in sufficient time for Contractor to comply with any submission requirements of Owner. All such claims shall itemize, in a form acceptable to Contractor, any additional costs or time for performance being sought by Subcontractor.

14.4 Claims with Owner – To the extent Contractor determines Subcontractor's claim is one for which Owner may be liable, the following procedure shall apply:

- (a) Contractor will present Subcontractor's claim to Owner's first level designated representative. The decision of such representative will be conveyed in writing to Subcontractor and such decision shall be final unless Subcontractor notifies Contractor in writing of its desire to proceed further in sufficient time for Contractor to comply with any notification or submission requirements to Owner.
- (b) Upon receipt of Subcontractor's notice to proceed further, at Contractor's option, Subcontractor's claim may be further pursued with Owner. In such event, Contractor may allow Subcontractor to act in its own behalf and with its own consultants/attorneys at Subcontractor's cost to continue the required process and any subsequent administrative proceeding or litigation. If Contractor does not allow Subcontractor to act in its own behalf or it is procedurally impermissible for Subcontractor to proceed in its own behalf, and Contractor elects to allow the continued pursuit of Subcontractor's claim, then at the written request of Subcontractor, Contractor will proceed with the dispute on condition that Subcontractor pay to Contractor all of its actual costs arising out of such process, including but not limited to attorneys' fees, court costs and the costs of Contractor's personnel employed in pursuing the case against Owner.
- (c) If Contractor elects to not allow further pursuit of Subcontractor's claim against Owner, and Subcontractor disputes such decision, Subcontractor may pursue its claim pursuant to the Disputes Resolution Article of the Subcontract.
- (d) Nothing shall prevent Contractor from accepting a contract modification from Owner which preserves the rights of Subcontractor.
- (e) If because of Subcontractor's claim, Owner withholds any sums due Contractor, then Subcontractor shall pay to Contractor interest on the amounts so withheld at the rate of 10 percent per annum. If Owner withholds sums due Subcontractor as a result of a claim of Contractor, Contractor shall pay to Subcontractor interest on the amounts so withheld at the rate of 10 percent per annum.

ARTICLE 15 DISPUTES RESOLUTION

15.1 Claims Not Involving Owner – To the extent Subcontractor submits a claim which Contractor determines is one for which Owner may not be liable, or is one which Contractor elects to not allow Subcontractor to further pursue with Owner, or to the extent Contractor has a claim against Subcontractor, the following procedures shall apply and begin within 60 days of notification:

- (a) If the dispute cannot be settled through direct discussions, the parties shall attempt to settle the dispute by mediation before recourse to any other method of dispute resolution. Unless the parties agree otherwise, the mediation shall be conducted in accordance with the Construction Mediation Rules of the American Arbitration Association.
- (b) If mediation does not resolve the dispute, then the parties may agree to resolve the dispute through binding arbitration. If so, the arbitrator(s)' decision shall be enforceable in a court of law and judgment shall be entered in accordance with such decision.
- (c) If mediation does not resolve the dispute and the parties do not agree to resolution by binding arbitration, either party may proceed with any allowable resolution process.

15.2 Participation In Proceedings – If Contractor receives a claim from any other party and Contractor determines Subcontractor may be liable, in whole or in part, for such claim, Subcontractor shall participate in the disputes resolution process with Contractor and such other party. To the extent practical, Contractor will not agree to binding arbitration or any other form of resolution with the other party without Subcontractor's consent. If, however, Contractor could not have determined, by reasonable diligence, that Subcontractor may be liable for the other party's claim before binding arbitration or any other form of resolution was already agreed upon, Subcontractor shall participate in that arbitration or other form of resolution and shall be bound by the decision rendered in that proceeding.

ARTICLE 16 PAYMENT

16.1 Schedule of Values – Within 10 days of Contractor's request, Subcontractor shall prepare and submit to Contractor a Schedule of Values which breaks down Subcontractor's work into individual activities. Each activity contained in the Schedule of Values shall be assigned a monetary price such that the total of all such items shall equal the Subcontract Price. The Schedule of Values shall be prepared in such detail as may be required by Owner and/or Contractor.

16.2 Payment and Verification – Subcontractor is required to pay for all labor, materials and equipment used in the performance of Subcontractor's work through the most current period applicable to progress payments received from Contractor. Contractor may require reasonable evidence to show that all obligations relating to Subcontractor's work are current through all payments received from Contractor before releasing any payment due for Subcontractor's work.

16.3 Progress Payment Applications – Subcontractor's applications for payment shall be itemized and in accordance with Subcontractor's Schedule of Values and any other substantiating data as required in the Contract for Contractor's payment applications. Subcontract payment applications may include amounts for Subcontract change orders which have been fully executed by Subcontractor and Contractor. Subcontractor cannot include in its payment applications any amounts for changes which have not been fully executed by Subcontractor and Contractor, or for disputed work.

16.4 Stored Materials and Equipment – If allowed by Owner, applications for payment may include materials and equipment not incorporated into Subcontractor's work but suitably stored on or off the site.

Approval of payment applications for materials and equipment stored on or off the site shall be conditioned on: (1) submission by Subcontractor of bills of sale and applicable insurance or such other procedures satisfactory to Owner and Contractor to establish the proper valuation and protection of the stored materials and equipment; (2) Owner's and/or Contractor's title to such materials and equipment; and (3) any other documents or procedures to protect Owner's and Contractor's interests, including during the transportation of such items to the site by Subcontractor.

16.5 Time for Submission of Application – Subcontractor's progress payment application shall be submitted to Contractor in sufficient time for Contractor to include it in Contractor's payment request to Owner. Contractor shall incorporate the amount of Subcontractor's progress payment application approved by Owner into Contractor's payment application to Owner for the same period and timely submit it to Owner. If requested by Subcontractor, Contractor shall inform Subcontractor of Owner's changes to Subcontractor's percentages of completion reflected on Subcontractor's payment application and/or other adjustments affecting Subcontractor.

16.6 Copy of Payment Request – Upon written request, Contractor shall give Subcontractor a copy of that portion of Contractor's most current application for payment reflecting the percentages approved and/or paid by Owner for Subcontractor's work performed to date.

16.7 Lien Waivers – Subcontractor shall provide, in a form satisfactory to Owner and Contractor, lien or claim waivers in the amount of the application for payment from Subcontractor, and its subcontractors, materialmen and suppliers for the completed work. Contractor may refuse to pay Subcontractor if Subcontractor fails to provide such waivers. If such waivers are conditional upon payment, Contractor may choose to make payment by issuance of joint checks to Subcontractor and its subcontractors, materialmen and suppliers. Subcontractor shall not be required to sign an unconditional waiver of lien or claim prior to receiving payment, or in an amount in excess of what it has been paid.

16.8 Application Reduction, Rejection or Nullification – Contractor may reduce or reject a Subcontractor payment application or nullify a previously approved Subcontractor payment application, in whole or in part, as may reasonably be necessary to protect Contractor from loss or damage based upon:

- (a) Subcontractor's failure to perform its work as required by the Subcontract Documents;
- (b) Loss or damage to Owner, Contractor or others to whom Contractor may be liable arising out of or relating to the Subcontract and caused by Subcontractor or its lower tier subcontractors or suppliers;
- (c) Subcontractor's failure to properly pay for labor, materials, equipment or supplies furnished in connection with its work;
- (d) Rejected, nonconforming or defective work which has not been corrected;
- (e) Reasonable evidence of delay in performance of Subcontractor's work such that the work will not be completed within the time allotted by the updated progress schedule, and that the unpaid balance of the Subcontract Price is insufficient to offset the liquidated damages or actual damages that may be sustained by Contractor as a result of the anticipated delay caused by Subcontractor;

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- (f) Reasonable evidence demonstrating that the unpaid balance of the Subcontract Price is insufficient to cover the cost to complete Subcontractor's work;
- (g) Third party claims against Subcontractor or reasonable evidence demonstrating that third party claims are likely to be filed. Subcontractor can eliminate this basis by furnishing Contractor with adequate security in the form of a surety bond, letter of credit or other collateral or commitment which is sufficient to discharge such claims if established;
- (h) Owner's reduction, rejection or nullification of any part of a payment application;
or
- (i) Any other failure to comply with the terms and conditions of the Subcontract Documents.

Contractor shall give written notice to Subcontractor, at the time of reducing, disapproving or nullifying an application for payment, of the specific reasons for Contractor's action. When the above reasons for reducing, disapproving or nullifying an application for payment are removed, payment will be made for amounts previously withheld.

16.9 Retention – Contractor may withhold from Subcontractor retention up to a rate of 10 percent, or as provided by law.

16.10 Payment Not Acceptance – Payment to Subcontractor does not constitute or imply acceptance of any portion of Subcontractor's work.

16.11 Final Payment Application – Contractor is required to incorporate Subcontractor's application for final payment into Contractor's next application for payment to the Owner only after the following occur:

- (a) acceptance of Subcontractor's work by Contractor and Owner;
- (b) if requested by Contractor, evidence acceptable to Contractor that all payrolls, bills for materials and equipment, and other indebtedness connected with Subcontractor's work have been fully paid, or will be fully paid by issuance of joint checks in return for unconditional releases;
- (c) if requested by Contractor, consent of Subcontractor's surety to final payment;
- (d) satisfaction of close-out procedures as may be required by the Subcontract Documents; and
- (e) if requested by Contractor, releases and waivers of liens, stop notices, bond rights, or any rights against Contractor, its surety or Owner, effective upon payment, to the extent and in such form as may be designated by Contractor.

16.12 Effect of Final Payment – Acceptance of final payment by Subcontractor shall constitute a waiver of claims by Subcontractor, except for claims reserved in a final release.

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ARTICLE 17 RECOURSE BY CONTRACTOR

17.1 Failure of Performance – If Subcontractor refuses or fails to fully and timely perform its obligations pursuant to the Subcontract, Contractor may, after two (2) working days written notice to Subcontractor, commence and continue satisfactory correction of such failure, and without prejudice to any other rights or remedies, provide the most expeditious correction of the failure by whatever means Contractor deems appropriate and charge the resulting costs to Subcontractor. A failure to fully and timely perform shall include but not be limited to, failing to supply enough properly skilled workers or proper materials, failing to maintain performance in accordance with the updated progress schedule, failing to make prompt payment to its workers, subcontractors or suppliers, disregarding laws, ordinances, rules, regulations or orders of any authority having jurisdiction, or otherwise failing or refusing to comply with any provision of the Subcontract. In the event of an emergency affecting the safety of persons or property, Contractor may proceed to commence and continue satisfactory correction of such failure without first giving two (2) working days' written notice to Subcontractor, but shall give prompt written notice of such action to Subcontractor.

ARTICLE 18 TERMINATION

18.1 Termination For Cause – If Subcontractor fails to perform any of its Subcontract obligations, Contractor may, after seven (7) calendar days written notification and in lieu of or in addition to any other remedies, terminate the Subcontract. A separate written notice of termination shall be issued by Contractor to Subcontractor at the time the Subcontract is terminated. If such a termination occurs, Contractor shall have the right to take and use any materials, equipment, appliances or tools furnished by, belonging or delivered to Subcontractor and located at the project for the purpose of completing any remaining Subcontractor work.

In the event the Subcontract is terminated for cause, Subcontractor shall not be entitled to receive any further payment until the Contract work is completed. At that time, if the amounts earned but not paid Subcontractor before the termination exceed the expenses incurred by Contractor in completing Subcontractor's work, any excess shall be paid by Contractor to Subcontractor; but, if Contractor's expense to complete Subcontractor's work exceeds the amount earned and unpaid, Subcontractor shall promptly pay the excess amount to Contractor. The expense incurred by Contractor shall include Contractor's costs for completing the work, including overhead, profit and attorneys' fees, and any damages incurred by Contractor by reason of Subcontractor's default.

18.2 Termination By Owner – If Owner terminates the Contract, or any part which includes portions of Subcontractor's work, Contractor shall notify Subcontractor in writing and Subcontractor shall immediately stop the performance of the terminated work, follow Contractor's instructions regarding any shutdown and termination procedures, and mitigate all costs. If Owner's termination partially eliminates Subcontractor's work, Contractor may terminate the Subcontract in its entirety.

18.2.1 Contractor's liability to Subcontractor for any damages incurred or claims resulting from Owner termination for convenience shall be limited to the amount Owner is determined to be liable to Contractor for Subcontractor's damages. Contractor's liability to Subcontractor for Owner's termination for cause shall be determined pursuant to the Claims and Disputes Resolution Articles of the Subcontract.

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**ARTICLE 19
SUSPENSION OF WORK**

19.1 Contractor may order Subcontractor in writing to suspend all or any part of Subcontractor's work for such period of time as Contractor deems appropriate. Contractor's liability to Subcontractor for any delay or disruption resulting from such suspension shall be determined pursuant to the Claims and Disputes Resolution Articles of the Subcontract. If the suspension is directed or caused by Owner, Contractor's liability to Subcontractor shall be limited to the amount Owner is determined to be liable to Contractor for Subcontractor's damages.

**ARTICLE 20
ASSIGNMENT OF SUBCONTRACT**

20.1 Subcontractor shall not, without written consent of Contractor, assign its rights in the Subcontract to others. This Subcontract may be assigned by Contractor to its bonding company.

~ END ~

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SUBCONTRACT

SIGNATURE PAGE

Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P. O. Box 26000, Sacramento, California 95826.

Representation By Contractor

Contractor represents to Subcontractor that this Subcontract is the "Long Form Subcontract Between General Contractor and Subcontractor" which was developed by The Associated General Contractors of America, San Diego Chapter, Inc. Neither Contractor nor Subcontractor have modified the printed language of the standard form agreement except by strike outs, interlineations or the like which have been initialed by both parties, or by attachments which are identified and attached. Contractor and Subcontractor may rely on all other printed portions of the Subcontract as being unaltered from the form contract published by AGC San Diego. Any change to the printed language which was not initialed by both parties or set forth in an attachment shall have no force and effect on either party and both parties shall instead be bound by the unaltered printed language. This provision does not apply to the language which must be inserted into the blank spaces or to the blocks which must be checked. Those items need not be initialed by the parties.

Representation By Subcontractor

Subcontractor warrants that it is properly licensed by the Contractors' State License Board of the State of California with the proper license classifications for performance of its work. Subcontractor further warrants that its license is and will remain current, active and in good standing all times during performance of its work.

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**This Subcontract has important legal and insurance consequences.
Consultation with an attorney and insurance consultant is encouraged with
respect to its completion or modification.**

The parties have executed this Subcontract for themselves, their heirs, executors, successors, administrators and assigns at the place and on the day and year first written above.

SUBCONTRACTOR

Firm: Baker Electric

By *George England*

Print Name/Title George England / Group Manager

CA Contractor's License # C10-161756

Federal I.D. # 95-1853701

State of Incorporation CA

Partnership

Proprietorship ☐

CONTRACTOR

Firm: Cornerstone Building Group

By *Richard Osgood*

Print Name/Title Richard Osgood, CEO

CA Contractor's License # 812183

Pre-Engineered Metal Building at B-210536
MCB Camp Pendleton
CORNERSTONE BUILDING GROUP PROJECT NO. 623

ATTACHMENT "A" TO SUBCONTRACTOR AGREEMENT NO.: 623 - 16100S

SUBCONTRACTOR: BAKER ELECTRIC, INC

1. The above-referenced Contract Number must appear on all packages, bills of lading, packing slips, billings, and correspondence.
2. Subcontractor shall provide satisfactory Faithful Performance and Payment Bonds for 100% of Subcontractor's contract amount if contract exceeds \$100,000.00. All Bonds must be executed by an admitted insurer listed in the Federal Register and have a AA rating. Cost of Bonds shall be included in contract amount. Note: (see AGC Contract Article 4, Surety Bonding Section 4.2)
3. SUBMITTALS - Where required in each Specification Section, Subcontractor shall provide complete material submittals in accordance with Specification Section 01300 and Article 23 and 31 of the General Conditions, with the exception that Contractor shall be supplied with 6 volumes of manufacturer's literature, one sepia transparency of each sheet, six blue line or black line prints of each sheet, and 6 samples. One copy will be returned to Subcontractor. All submittals shall be delivered to Contractor's job site office as a complete package per the time schedule in Section 01300-1.3-C, except that all submittals shall be submitted to Contractor within 5 calendar days after Notice to Proceed to Contractor.

SUBCONTRACTOR'S RESPONSIBILITY OF COMPLIANCE - Subcontractor is reminded of the stringent requirements for material submittals, which shall be vigorously enforced during this Project. Subcontractor shall be solely responsible for compliance with all Contract Document requirements relative to material submittals including absolute conformance with the terms and/or definitions of required submittal items delineated in the General Requirements and/or Section 01330 - SUBMITTAL PROCEDURES except as modified herein which shall prevail.

FORM AND FORMAT - Present all complete submittals for each individual Specification Section in individually-bound volumes, titled with the Project name and number as well as the individual Specification Section to which it pertains. Provide an index of included items using the same order and format as delineated in each Specification Section for "Submittals" as the first page of each volume. Title the index with the applicable Specification Section name and number. Each submittal item to be incorporated into the Project shall be clearly marked and identified in the submittals and catalogue data and shall be cross-referenced to the Contract drawings and/or Specifications so as to clearly identify the use for which it is intended. Clearly mark each sheet in each volume in the same numerical sequence as each Specification Section paragraph is arranged.

SUBCONTRACTOR'S STATEMENT(S) OF COMPLIANCE: Make a statement for each Specification paragraph or subparagraph which is preceded with a number or letter. Such statement will be used to communicate what Subcontractor is submitting. In cases where the paragraph implies instruction only, the word "NOTED" may be used indicating acknowledgement. Otherwise, a statement requiring a formal answer from the Architect should be made. Where common building materials, such as wire or pipe, are specified, Subcontractor may use the words "AS SPECIFIED", indicating total and strict compliance with the referenced paragraph. If any product, product data, and/or product description in the Specification Section will not be used and/or is not pertinent to this project, indicate such with "NOT APPLICABLE" next to the item. All other paragraphs involving a manufactured product and its installation requirements shall be submitted as specified herein, using the Specification number system for identification.

Subcontractor's Initials 

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Any submittal or portion thereof which is returned from the Architect/Owner marked "REVISE AND RESUBMIT" or "REJECTED" shall be so remedied and/or corrected, and returned to Contractor by Subcontractor within 5 business days of Subcontractor's receipt of such returned submittal.

SUBMITTAL CERTIFICATION BY SUBCONTRACTOR: All submittals shall be complete, correct, and in proper format in all respects. All submittals shall clearly state whether product(s) falls into one of the three following categories:

3. A. "As Specified.
4. B. "Or Equal" – referencing Article 30 of the General Conditions. "Or Equal" materials must be accompanied with a request for substitution for product of manufacturer which is not specifically named.
5. C. "Substitution" – reference paragraph-covering substitutions below. Such submittal shall contain both the specified product's literature as well as the proposed substitution's product literature for the Architect's comparison.

All submittals shall be so certified by Subcontractor. At time of transfer of Subcontractor's proposed submittal packages to Contractor for approval, such volumes shall be accompanied with the following statement, on Subcontractor's letterhead, and signed by an authorized and responsible person of your company:

"I hereby certify that the equipment/material/article shown or marked in these submittals and proposed to be incorporated into the work of Contract No. 623 -16100S are in complete compliance with the Contract Documents and can be installed in the allocated spaces".

NAME OF SUBCONTRACTOR: BAKER ELECTRIC, INC

AUTHORIZED SIGNATURE: _____

JOB TITLE: _____

DATE: _____

Any and all submittals without such signed certification may be rejected. It shall be construed that the above statement is in effect for any and all submittals given to Contractor by Subcontractor, whether so indicated or not on individual submittals by Subcontractor's signature on this Subcontractor Agreement.

SUBMITTAL PROCESSING COSTS – Contractor will absorb and pay all costs for submittal approval for normal processing of material submittals in accordance with Contract Documents providing such submittals are complete, correct, and in proper format. However, Subcontractor will be responsible and liable for all Contractor and Designer costs incurred with re-submittals, re-review, re-certification, and/or requests for material substitutions/deviations, and/or "Or Equal" products.

SUBSTITUTIONS – Substitutions are discouraged for work, materials, equipment, or methods of installation on this project. Referencing Article 5.21.2 (Substitutions) of the General Conditions and Specification Section 01340, substitutions are permitted provided that Subcontractor can establish equality required by Owner/Architect and Request for Substitution is submitted to the Contractor within 30 calendar days of the Owner's Notice to Proceed to Contractor. Subcontractor shall assume any and all liabilities for costs, delays, disruptions, and/or out-of-phase work of other trades resulting from Subcontractor's proposed substitution, whether approved or disapproved.

Approved material submittals must be on file at the job site before delivery of proposed materials to the job site.

4. Referencing Section 01730 and where specifically required in the Contract Documents, Subcontractor shall provide Contractor with instruction manuals, parts lists, and operating and Subcontractor's Initials JB

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maintenance manuals in the form and format specified, except that the number of such documents provided to Contractor shall be two more than specified in such Contract specifications. All manuals must be delivered to Contractor within 10 days of receipt of said equipment.

5. Subcontractor shall provide and update as required names, addresses, and phone numbers of all key personnel.

6. A Daily Report must be filled out by Subcontractor and in Contractor's job site trailer no later than 5:00 p.m. the same day **without exception**. The form will be furnished by Contractor. All areas of the form must be filled out. Subcontractor shall be solely responsible for assuring that the information is complete and in agreement with Subcontractor's certified payroll reports. Subcontractor's failure to submit correct daily reports may cause Contractor to withhold portions of Subcontractor's progress payments.

7. Certified Payroll Reports (one original and two copies) are due on a weekly basis and must be delivered to Contractor no later than 10 calendar days after Subcontractor's work has been performed. Reports must conform exactly with the actual hours worked and reported at the job site. Wage rates must be in compliance with the Prevailing Wage Rates governing this Project. It is Subcontractor's responsibility to verify his own employees' hourly pay rate.

For any Subcontractor unfamiliar with certified payroll, Contractor will instruct Subcontractor on how to fill the report out **the first time only**. Subcontractor is solely responsible for all subsequent reports.

If Subcontractor pays fringe benefits into an approved plan/fund/program, Subcontractor must submit the name of said plan with an itemized breakdown of the hourly dollar amounts with Subcontractor's first certified payroll report. Apprenticeship employees' paperwork must also be submitted whenever an apprentice appears on the daily reports. In addition, Subcontractor shall provide Contractor with proof that dues are being contributed to said plan by submitting a copy of the monthly report and a copy of the check you are submitting with the certified payroll report.

Contractor reserves the right to interview any person(s) working on the job site to clarify the trade classification and rate of pay. Furthermore, Contractor reserves the right to request copies of canceled payroll checks as proof of payment to said employees.

Subcontractor understands that Contractor may withhold entire amount of progress payment if subcontractor is delinquent on providing certified payroll reports or has failed to correct noted deficiencies on reports.

8. Subcontractor shall provide proof of insurance to Contractor in accordance with Clause A INSURANCE, of the General Subcontract Provisions of the AGC Standard Form Subcontract Agreement except as modified herein, which shall prevail. Such insurance certificates must be on file at Contractor's job site office before Subcontractor may commence work at the job site. Minimum comprehensive general liability and property damage insurance amounts of \$1,000,000.00 are required and must be provided. Workers compensation in amounts required by State Law shall also be provided. Both **"Cornerstone Building Group"** and **"NAVFAC Southwest"** must be named as **"Additional Insured"** and **"Certificate Holder"**. Additional insured endorsement shall provide coverage for completed operations and shall be issued on Form CG 20 10 11 85 or its equivalent.

In the cancellation clause "...endeavor to..." and "...but failure to..." to the end of the sentence must be stricken. There shall be a provision for a minimum of 30 days written cancellation notice. **The Project name and number must appear on the certificates.**

Subcontractor's Initials 

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9. Scheduling Requirements/Schedule of Values – Within 7 calendar days of receipt of Contractor's Preliminary Construction Schedule, Subcontractor shall submit a complete, itemized breakdown of work indicating activity sequence, cost of labor and material for each activity, crew size, and expected duration required to complete each work sequence. Contractor shall attempt to integrate this information into Contractor's 'baseline construction schedule. Upon Owner's approval, such schedule and monthly schedule updates will be used in billings for progress payments. Please note any requirements, which would affect out trade, (i.e. drying times, painting before trim, etc.) Failure of Subcontractor to comply with this requirement within the allotted time shall allow Contractor to develop the Schedule of Values on behalf of Subcontractor as if submitted by Subcontractor.

10. Subcontractor's Tier Subcontractors and Suppliers – Subcontractor shall provide Contractor with a complete list of tier subs/suppliers to be returned with signed Contract, and shall constantly update such list as scope of work indicates. Failure of Subcontractor to provide and update this list to Contractor will cause Subcontractor's progress payment to be deferred until properly provided to Contractor with no exceptions. Subcontractor shall provide unconditional lien releases from pertinent suppliers and tier sub labor with each and every progress billing. If Subcontractor does not have any tier subs or suppliers, Subcontractor shall advise Contractor in writing and such statement shall accompany each and every progress-billing request.

At Contractor's option, Contractor may make payment to Subcontractor for approved progress payments by joint checks payable to Subcontractor and Subcontractor's tier subs/suppliers for amounts owed. At Contractor's option, Contractor may pay directly to any of Subcontractor's unpaid tier subs/suppliers any amounts owed on behalf of Subcontractor and set off such amounts against Subcontractor's contract amount. Contractor shall provide notification of such to Subcontractor and shall assist in resolving outstanding disputes related to this project with tier subs/suppliers.

NOTE: All releases must be signed by an officer of the company and all releases must be complete including specific dollar amounts. Releases with no dollar amount indicated, or "sufficient funds" or other similar language will not be accepted.

11. Joint Apprentice Committee (JAC) State Code 1777.5, 1777.6, and 1777.7 – All Subcontractors performing on public works projects are required to comply with referenced sections of the State Labor Code each time they receive an award to perform on a public works project. Non-signatory subcontractors using employees in apprenticeship trades are required to apply to the appropriate JAC, requesting permission to employ and train apprentices. It is suggested that all applications be sent by certified mail as a means to show proof that an application was submitted. A copy of that application must be submitted to Contractor with the first monthly-certified payroll reports as proof of compliance. Subcontractors who are signatory to a labor agreement are required to submit in letter form with first monthly report, a statement identifying which laborer agreement(s) they are signatory to as related to this project.

12. As-Built Drawings, conforming to Contract Document requirements must be maintained by Subcontractor for all of Subcontractor's work, and kept current on a weekly basis. Subcontractor shall utilize and update as-built drawings and coordinate as-built requirements with the Project's QC Manager.

13. 10% Retention will be withheld by Contractor on all progress payments. A greater amount will be withheld if Subcontractor does not maintain and regularly update, where required by the Contract Documents, the following:

- A. Material submittals including, but not limited to, samples, certifications, shop drawings, certified test results, and/or any other required data for materials and/or equipment.
- B. O&M Manuals, operating instructions, warranty date, etc.
- C. Subcontractor daily reports.

Subcontractor's Initials JD

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- D. Certified payrolls.
- E. Names, addresses, and phone numbers of Subcontractor's Project Manager and Foreman.
- F. Insurance certificates - kept current.
- G. Hazard Communication Regulation Requirements.
- H. List of all tier subcontractors and Subcontractors with respective addresses and phone numbers.
- I. Schedule of Prices.
- J. Scheduling requirements.
- K. As-Built Drawings - kept current.
- L. Lien releases for tier-subcontractor's and Subcontractors with each and every progress payment request.
- M. Equal Opportunity and/or Affirmative Action Participation Compliance requirements and/or documentation.
- N. Subcontractor's Safety Plan.

14. Billing procedures must be in accordance with the format outlined below:

Contract Amount _____
 Approved Change Orders _____
 Revised Contract Amount _____

Current Billing Amount-Completed/Approve _____
 (Attach Schedule of Prices)
 Amount of Change Order Work _____
 Total Amount This Billing _____
 Less Retention _____
 Sub-Total _____
 Less Previously Amount Billed _____
 Less Back Charges (if applicable) _____
 Current Amount Due _____

Billing date shall be the 25th of each month, projected through the end of the month. Payment to Subcontractor shall be made within seven calendar days after Contractor has received payment from Owner.

Subcontractor shall provide his Federal Tax Identification Number or Social Security Number and a copy of his State Business License as a requirement of this Contract. There will be no Contract payment issued until these requirements are fulfilled.

Progress payments by Contractor to Subcontractor for any stored materials, either on-site or in a "bonded" warehouse, and/or equipment prior to fixed installation at the Project are subject to the following conditions and stipulations which supersede any other provisions(s) to this Agreement:

A. Sole ownership and means of distribution of such material and/or equipment transfers exclusively to Cornerstone Building Group upon Subcontractor's receipt of payment. At time of Subcontractor's application for progress payment, Subcontractor shall provide Contractor with a detailed inventory of specific description and quantity for each and every item(s), and stating that Contractor owns such materials and/or equipment upon Subcontractor's receipt of said payment.

B. Subcontractor shall provide Installation Floater Insurance coverage for the replacement values of such materials and/or equipment that explicitly names "Cornerstone Building Group" as additional insured on the insurance certificate.

Subcontractor's Initials JD

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- C. Progress payment amount to Subcontractor shall not exceed the actual invoice amount for such materials and equipment that Subcontractor owes.
- D. Subcontractor shall comply with all requirements for payment of stored materials in accordance with Section 00721 and/or 01200.

15. If Subcontractor and Contractor have any other contractual agreements, any funds from this Agreement or from any other contractual agreement(s), may be applied to complete, satisfy, pay for, or implement any contractual agreements and obligations. Subcontractor and Contractor mutually agree to honor all agreements contained herein.

16. Contractor's Code of Safe Practices, in addition to applicable Federal, State, and Local Regulations, shall be considered minimum safety standards for this Project. A copy of Subcontractor's safety plan must be submitted to Contractor within 5 days of award of Subcontract. Safety standards will be enforced by way of Safety Violation and Correction Notice issued through a designated Cornerstone Building Group employee. A maximum of three documented violations per Subcontractor or per employee shall be considered reasonable cause to suspend Subcontractor or employee right to work on this project. Job Site safety meetings will be held weekly. Attendance is mandatory by all trades working on site. Proper work clothes must be worn by all employees. This means everyone must wear a hard hat, long pants, a shirt, and safety shoes.

17. Subcontractor is responsible for complying with California's Hazard Communication Regulations and must provide Contractor with MATERIAL SAFETY DATA SHEETS on all hazardous substances used by Subcontractor's operations, within 5 days of award of Subcontract. Subcontractor is responsible for complying with the Hazardous Material Federal Regulations 29CFR 1910.120.

18. Contractor will provide lighting as required to maintain safety standards. Electrical outlets will be provided by Contractor to within 100 feet of each building. Subcontractor will be responsible for additional task lighting and power as required to perform Subcontractor's own work.

19. Subcontractor shall not use Contractor's telephones at the job site.

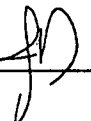
20. Cost Proposals shall be returned to Contractor's job site office within five days (or soon if requested) of receipt of request. Subcontractor is advised to familiarize himself with all requirements regarding changes or claims as described in the Contract Documents.

21. No claim for additional work by Subcontractor shall be recognized by Contractor without written approval or direction by Contractor prior to commencement of such work. Subcontractor must submit a written claim to Contractor within five days after the event-giving rise to Subcontractor's claim.

22. This Project is certified as a "DRUG-FREE WORKPLACE". Neither Subcontractor nor his employees, while performing services at this Project shall be in any way impaired by the use of alcohol or drugs. Subcontractor/employees shall not possess an open container of alcohol, consume alcohol, or be under the influence of any illegal drug, shall not sell, offer, or provide alcohol or drugs to any other person. Any employee's failure to abide by this provision shall be considered reasonable cause to suspend employee's right to work on this Project.

23. Testing and Inspections – Normal testing/inspection of Subcontractor's work shall be provided by Owner as described in Section 01410. Any retesting/re-inspection of Subcontractor's work shall be at Subcontractor's expense. All testing of equipment/material as required in individual Specification Sections shall be by Subcontractor/Subcontractor's supplier.

Subcontractor's Initials



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24. Accident Reports – Subcontractor shall provide Contractor with a copy of the accident report within 48 hours of accident for any accident.

25. Liquidated Damages – Time is of the essence for both the Contract with Owner and this Subcontract Agreement. Subcontractor is hereby informed that liquidated damages for this Project are \$200.00 per calendar day. Subcontractor shall be responsible for a proportional amount of any and all liquidated damages incurred by Contractor due to delays in work caused by Subcontractor. Subcontractor's attention is directed to the phasing requirements and associated liquidated damages as described in Section 5.8.2 of the General Conditions.

26. One copy of the contract drawings, contract specifications, and addenda will be provided to Subcontractor upon request. Should additional copies be required, Subcontractor shall coordinate with Contractor for the production of such copies. The expense for additional copies shall be the responsibility of Subcontractor.

27. Subcontractor's attention is called to the Equal Opportunity Clause, the Affirmative Action Compliance Clauses, the Small Business Program Representations Clauses, and the Affirmative Action for Special Disabled and Vietnam Era Veteran's Clauses incorporated into the Project's Contract Documents. Subcontractor shall comply with all such requirements and shall provide documentation of compliance including, but not limited to, certification, monitoring, and auditing of Subcontractor's participation.

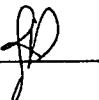
28. Cornerstone Building Group's refuse containers shall not be used by Subcontractor to dispose of materials from Subcontractor's activities. Subcontractor shall remove such refuse from job site in a timely manner, using only Subcontractor's own facilities for such refuse material. Subcontractor shall maintain premises in a broom clean, safe, and orderly condition on a daily basis or more frequently as required. If Subcontractor fails to perform clean up functions as required, Contractor may then proceed to perform this function in a manner deemed most expedient. In each such event, the cost of clean up or \$100.00, whichever is greater, shall be charged to Subcontractor and deducted from payments due under this Agreement. If a dispute arises between Subcontractors as to responsibility for clean up, Contractor shall allocate costs, as it deems fair. Contractor may invoke the foregoing procedure without notice to Subcontractor when deemed by Contractor to be necessary to maintain job site in a safe condition or to maintain progress of the work.

29. Contractors are required by Law to be licensed and regulated by the Contractors' State License Board, which has jurisdiction to investigate complaints against Contractors if a complaint is filed within three years of the date of the alleged violation. Any question concerning a Contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, CA 95826.

30. The Project Management Team and applicable location information is as follows:

Project Manager – Raphael Miller (858) 444-6880
Project Superintendent – Mario Peneda (619) 208 - 2726
Office Phone – (619) 296 - 5784
Office Fax - (619) 296-6508

Subcontractor's Initials



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ALL MAIL, SUBMITTALS, ETC., ARE TO BE SENT TO OUR POST OFFICE BOX AS FOLLOWS:

Cornerstone Building Group - Job No. 623
3590 Kettner Boulevard
San Diego, CA 92101

DELIVERY/HOME OFFICE ADDRESS: Cornerstone Building Group - Job No. 623
3590 Kettner Blvd
San Diego, CA 92101

SUBCONTRACTOR:

BAKER ELECTRIC, INC

SIGNATURE/TITLE

DATE

FEDERAL TAX ID NO./SOC. SECURITY NO.

CONTRACTOR:

CORNERSTONE BUILDING GROUP

RICHARD OSGOOD, CEO

DATE

Subcontractor's Initials

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Pre-Engineered Metal Building at B-210536
MCB Camp Pendleton
CORNERSTONE BUILDING GROUP PROJECT NO. 623

ATTACHMENT "B" TO SUBCONTRACT AGREEMENT NO. 623 -16100S

SUBCONTRACTOR: BAKER ELECTRIC, INC

The following terms and conditions are hereby made part of this Contract:

The subcontractor is responsible for providing the necessary labor, material, and equipment as specified in this attachment, as well as the RFP and contract documents attached to this subcontract.

ELECTRICAL

1. Subcontractor shall provide all labor, materials, and equipment as necessary or incidental for the installation of all electrical work as shown and/or described in the Contract Documents and as more particularly, though not exclusively, in the Task Order Proposed Work Plan, Pre-Engineered Metal Building in 21 Area.
2. Installation of a new 225 amp, 32 circuit, 120/208 volt, 3 phase, 4 wire, main breaker, electrical panel with a full compliment of circuit breakers. Installation of two 50 amp, 3 pole, circuit breakers for shop equipment. The remaining breakers will be 20 amp single pole. The panel will be surface mounted. The panel board will be fed from an existing three phase 60 KVA bank of transformers located at the North West corner of the proposed building location. The service cable will routed through the air from the existing power pole to a new weather head mounted on the building. Service drop cabling will be copper. A new ground rod will be installed at the panel board location.
3. Installation of ¾" EMT conduit, supports, wiring, for two, 60 amp 3 phase 4 wire non fused safety switches for shop equipment from new panel board. Each disconnect will be equipped with a 10 foot, ¾" liquid tight flexible conduit whip complete with wiring and connector for attachment to shop equipment supplied by government. Attach conduit to shop equipment supplied by government.
4. Installation of EMT conduit, supports, boxes, wiring and receptacles for 20 new 120 volt 20 amp heavy duty receptacles. Four receptacles will be fed from one circuit breaker. Receptacles will be mounted on steel building support columns at 48" above the floor. Receptacles will be installed in 4" square stamped steel boxes with commercial covers. Feed the receptacles from the new panel board.
5. Installation of 26 new fluorescent light fixtures. Fixtures will be equipped with T-8 lamps, energy saving electronic ballasts, 2 lamp strip construction with wire cage lamp guards. Fixtures will be mounted directly to building framing elements. Install two single pole switches. Switch 14 fixtures per switch. Install the switches at 48" above the floor in 4" square stamped steel boxed in commercial covers. Feed the switches from two circuits in the new panel board.
6. Subcontractor shall notify the Contractor in writing ten working days prior to disruption of any utilities. Subcontractor shall also notify the Contractor in writing 10 working days prior to beginning any underground work for utility mark-out and locations.
- ~~7. Subcontractor shall provide temp power including distribution boxes to job site buildings and structures from a temp power source as provided by Contractor.~~ *efh*
- ~~8. Subcontractor shall be responsible for all safe-off, disconnection and removal of electrical equipment and utilities for all structures and equipment.~~ *ee*
h

Subcontractor's Initials QC

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9. Subcontractor shall provide and install all straps, supports, hangers, Unistrut, restraints, or seismic bracing as necessary for Subcontractor's own installations. ~~This includes light fixture hanger wires.~~ *ek*
10. Subcontractor shall provide and install all brackets, bolts, cable trays, helix cables, fastenings, and/or pipe straps as required.
11. Subcontractor shall provide and install all anchoring/supporting devices as required in the Contract Documents.
12. ~~Subcontractor shall be responsible for cutting/patching of finished surfaces as necessary to complete Subcontractor's installations.~~ *ek*
13. Subcontractor shall provide and install all fire-stopping sealant where electrical installations penetrate walls, floors, and ceilings to retain the integrity of those structures. Subcontractor shall also provide all fire rated blankets and enclosures for their own work where required.
14. ~~Subcontractor shall provide all power wiring, conduits, and connections for all control systems in accordance with the Contract Documents, regardless of voltage.~~ *ek*
15. Subcontractor shall be responsible for coordination and final connections to primary and secondary power sources. Any electrical outages must be scheduled 10 days in advance and approved with the Contractor and Owner. ~~In some cases, Subcontractor must provide a temporary power source such as a generator in order to allow continuous service to the Owner while the Subcontractor performs their scope of work.~~ *ek* Should any delays or damages be incurred through lack of notice, coordination, negligence, or inadequate planning, etc. those delays and or damages shall be the sole responsibility of the Subcontractor.
16. EXCLUSIONS:
Bonds

SUBCONTRACTOR:

BAKER ELECTRIC, INC


 SIGNATURE/TITLE

Group Manager

DATE

10/18/07

CONTRACTOR:

CORNERSTONE BUILDING GROUP


 RICHARD OSGOOD, CEO

DATE

10/31/07

Subcontractor's Initials *JD*

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Bond Number: SDC00020
Premium: Included

PAYMENT BOND (See Instructions on reverse)		DATE BOND EXECUTED (Must be same or later than date of contract) October 2, 2007		OMB No.: 9000-0045								
Public reporting burden for this collection of information is estimate to average 28 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the FAR Secretariat (MVR), Federal Acquisition Policy Division, GSA, Washington, DC 20405												
PRINCIPAL (Legal name and business address)		TYPE OF ORGANIZATION ("X" one)										
Cornerstone Building Group 3590 Kettner Blvd San Diego, CA 92101		<input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE <input checked="" type="checkbox"/> CORPORATION										
SURETY(IES) (Name(s) and business address(es))		STATE OF INCORPORATION California										
Western Insurance Company 580 E. Plumb Lane Reno, NV 89502		PENAL SUM OF BOND <table border="1"> <tr> <th>MILLION(S)</th> <th>THOUSAND(S)</th> <th>HUNDRED(S)</th> <th>CENTS</th> </tr> <tr> <td></td> <td>566</td> <td>236</td> <td>00</td> </tr> </table>			MILLION(S)	THOUSAND(S)	HUNDRED(S)	CENTS		566	236	00
MILLION(S)	THOUSAND(S)	HUNDRED(S)	CENTS									
	566	236	00									
		CONTRACT DATE CONTRACT NO. 25 Sep 2007 N62473-07-C-1056										

OBLIGATION:

We, the Principal and Surety(ies), are firmly bound to the United States of America (hereinafter called the Government) in the above penal sum. For payment of the penal sum, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally. However, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us. For all other purposes, each Surety binds itself, jointly and severally with the Principal, for the payment of the sum shown opposite the name of the Surety. If no limit of liability is indicated, the limit of liability is the full amount the penal sum.

CONDITIONS:

The above obligation is void if the Principal promptly makes payment to all persons having a direct relationship with the Principal or a subcontractor of the Principal for furnishing labor, material or both in the prosecution of the work provided for in the contract identified above, and any authorized modifications of the contract that subsequently are made. Notice of those modifications to the Surety(ies) are waived.

WITNESS:

The Principal and Surety(ies) executed this payment bond and affixed their seals on the above date.

Cornerstone Building Group		PRINCIPAL	
SIGNATURE(S)	1. _____ (Seal)	2. _____ (Seal)	3. _____ (Seal)
NAME(S) & TITLE(S) (Typed)	1. _____	2. _____	3. _____
INDIVIDUAL SURETY(IES)			
SIGNATURE(S)	1. _____ (Seal)	2. _____ (Seal)	
NAME(S) (Typed)	1. _____	2. _____	
Western Insurance Company		CORPORATE SURETY(IES)	
NAME & ADDRESS	580 E. Plumb Lane Reno, NV 89502	STATE OF INC. Nevada	LIABILITY LIMIT \$ 1,302,000.00
SIGNATURE(S)	1. _____	2. _____	Corporate Seal
NAME(S) & TITLE(S) (Typed)	1. Audrey Rodriguez, Attorney-In-Fact	2. _____	

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STANDARD FORM 25A (REV. 10-98)
Prescribed by GSA-FAR (48 CFR) 53.2228(c)

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CORPORATE SURETY(IES) (Continued)

	NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT	
SURETY B	SIGNATURE(S) 1.	2.		Corporate Seal
	NAME(S) & TITLE(S) (Typed) 1.	2.		
	NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT	
SURETY C	SIGNATURE(S) 1.	2.		Corporate Seal
	NAME(S) & TITLE(S) (Typed) 1.	2.		
	NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT	
SURETY D	SIGNATURE(S) 1.	2.		Corporate Seal
	NAME(S) & TITLE(S) (Typed) 1.	2.		
	NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT	
SURETY E	SIGNATURE(S) 1.	2.		Corporate Seal
	NAME(S) & TITLE(S) (Typed) 1.	2.		
	NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT	
SURETY F	SIGNATURE(S) 1.	2.		Corporate Seal
	NAME(S) & TITLE(S) (Typed) 1.	2.		
	NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT	
SURETY G	SIGNATURE(S) 1.	2.		Corporate Seal
	NAME(S) & TITLE(S) (Typed) 1.	2.		
	NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT	

INSTRUCTIONS

1. This form, for the protection of persons supplying labor and material, is used when a payment bond is required under the Act of August 24, 1935, 49 Stat. 793 (40 U.S.C. 270a-270e). Any deviation from this form will require the written approval of the Administrator of General Services.

2. Insert the full legal name and business address of the Principal in the space designated "Principal" on the face of the form. An authorized person shall sign the bond. Any person signing in a representative capacity (e.g., an attorney-in-fact) must furnish evidence of authority if that representative is not a member of the firm, partnership, or joint venture, or an officer of the corporation involved.

3. (a) Corporations executing the bond as sureties must appear on the Department of the Treasury's list of approved sureties and must act within the limitation listed therein. Where more than one corporate surety is involved, their names and addresses shall appear in the spaces (Surety A, Surety B, etc.) headed "CORPORATE SURETY(IES)." In the space

designated "SURETY(IES)" on the face of the form, insert only the letter identification of the sureties.

(b) Where individual sureties are involved, a completed Affidavit of Individual Surety (Standard Form 28) for each individual surety, shall accompany the bond. The Government may require the surety to furnish additional substantiating information concerning their financial capability.

4. Corporations executing the bond shall affix their corporate seals. Individuals shall execute the bond opposite the word "Corporate Seal", and shall affix an adhesive seal if executed in Maine, New Hampshire, or any other jurisdiction requiring adhesive seals.

5. Type the name and title of each person signing this bond in the space provided.

ORIGINAL

JS 44 (Rev. 12/07)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS

United States of America for the Use and Benefit of Baker Electric, Inc.

(b) County of Residence of First Listed Plaintiff
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

Marks, Golia & Finch, LLP, 3900 Harney Street-First Floor, San Diego, California 92110-2825

DEFENDANTS

Cornerstone Building Group; Western Insurance Company

County of Residence of First Listed Defendant

(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

Attorneys (If Known)

08 SEP -3 PM 4:26
U.S. DISTRICT COURT
San Diego, CALIFORNIA
08 CV 1617 DMS CAB

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☒ 1 U.S. Government Plaintiff
☐ 2 U.S. Government Defendant
☐ 3 Federal Question (U.S. Government Not a Party)
☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- (For Diversity Cases Only)
- | | | | | | |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business in This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business in Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT <input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input checked="" type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury	PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	FORFEITURE/PENALTY <input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	BANKRUPTCY <input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395B) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(b)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(a)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	OTHER STATUTES <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
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V. ORIGIN

(Place an "X" in One Box Only)

- ☒ 1 Original Proceeding
☐ 2 Removed from State Court
☐ 3 Remanded from Appellate Court
☐ 4 Reinstated or Reopened
☐ 5 Transferred from another district (specify)
☐ 6 Multidistrict Litigation
☐ 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

Title 40 United States Code sections 3131-3133

Brief description of cause:

Breach of 6 contracts; Breach of obligations of 6 payment bonds

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMANDS At Least \$ 139,477.20

CHECK YES only if demanded in complaint:
JURY DEMAND: ☒ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

September 3, 2008

FOR OFFICE USE ONLY

RECEIPT #

154664

AMOUNT

\$350

APPLYING IFP

JUDGE

MAG. JUDGE

TAC 9/3/08

CR

VIA FAX

**UNITED STATES
DISTRICT COURT**
SOUTHERN DISTRICT OF CALIFORNIA
SAN DIEGO DIVISION

154664 - TC

**September 03, 2008
16:28:27**

Civ Fil Non-Pris

USAO #.: 08CV1617

Judge.: DANA M SABRAW

Amount.: \$350.00 CK

Check#.: BC5781

Total-> \$350.00

**FROM: BAKER ELECTRIC
VS
CORNERSTOANE BUILDING GROUP**